

SYNTHESIS NOTE

Towards Adaptive Social Protection Systems in Latin America and the Caribbean:

A Synthesis Note on using Social Protection to Mitigate and Respond to Disaster Risk



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to Mitigate and Respond to Disaster Risk

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Overview

This synthesis note is the first in a series of guidance notes which aim to serve as a consultation tool in the design of Adaptive Social Protection (ASP) Systems in Latin American and Caribbean (LAC) countries to better address disasters and climate risks. While these notes focus on disasters caused by natural hazards, the framework and lessons are also applicable to other types of emergencies and shocks, including economic shocks; health pandemics; and shocks caused by conflict. The note provides a stocktaking of the specific disaster risks faced by LAC countries; provides an overview of SP systems and performance in LAC countries; establishes a general framework to assess ASP capacity in LAC; and provides guidance on better using SP systems in LAC to support Disaster Risk Management (DRM) pillars. Specific guidance on different building blocks of ASP systems in LAC are provided in guidance notes that accompany this synthesis note.

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Executive Summary

The frequency and severity of disasters and other debilitating impacts of climate change are principal threats to economic growth, human capital, and well-being facing the world today. Disasters associated with geological and weather events have increased dramatically in the 20th and 21st centuries, with high costs to countries and people. Countries in Latin America and the Caribbean (LAC) continue to experience high vulnerability to disaster risk with astronomical costs to Governments and households. The LAC region is currently the second most disaster-prone region in the world, with 1,205 disasters affecting the region between 2000-2019.¹ Climate change also threatens to alter sources of income and livelihoods for LAC countries and their populations. Ensuring that disaster and climate threats do not debilitate livelihoods, human capital and well-being of LAC populations are therefore of utmost importance. Compounding this, is the pervasive threat of other exogenous shocks, including economic crises and pandemics, that continues to threaten progress towards improving shared prosperity in the region.

At the same time, LAC countries have been pioneers in the design and use of Social Protection (SP) benefits, services, and delivery systems to help poor and vulnerable households and individuals manage risk. This is manifested through strong Government responsibility and leadership for SP delivery, with comparatively high SP spending, coverage, and demonstrated outcomes for poverty reduction and building human capital. Despite this, there remains diversity in the maturity and performance of SP systems in several countries which hinders effective SP outcomes. Additionally, while several countries in the region have deployed their SP systems to respond to varied crises and shocks, these experiences have often been ad-hoc and reactionary, and not always accompanied by clearly established protocols, implementation arrangements, nor clearly institutionalized processes. The result is that LAC countries are not utilizing the full potential of their SP systems to respond to risks related to adverse natural events and climate-change.

Adaptive Social Protection (ASP) “helps to build the resilience of households that are vulnerable to shocks through direct investments that support their capacity to prepare for, cope with, and adapt to shocks; protecting their wellbeing and ensuring that they do not fall into poverty or become trapped in poverty as a result of the impacts.”² By ensuring the development of ASP systems, LAC countries have the potential to improve resilience among poor and vulnerable households; ensure faster, appropriate, and adequate response to the impacts of varied shocks on households; and better prepare their SP systems for more systematic shock response in future emergencies.

This Synthesis Note has multiple objectives. First, it aims to provide a brief overview of key Adaptive Social Protection (ASP) concepts to improve mutual understanding by both Disaster Risk Management (DRM) and SP practitioners. The note then develops a typology for categorizing countries according to SP system maturity and, most importantly establishes a framework to help LAC countries assess how well-positioned their SP systems are for responding to climate risks and other disasters. The framework is intended to help LAC countries identify the SP building blocks they may need to further

invest in or prioritize to strengthen the adaptability of their SP systems. Finally, the note ends by summarizing the main messages for improving critical ASP building blocks outlined in the operational guidance notes that accompany this piece.

The first component of the Framework is to assess SP system maturity. This paper has developed a typology for assessing LAC SP systems across the three SP system dimensions – ***Institutions, Delivery and Financing*** – to assess relative maturity and to identify gaps to effective performance across each dimension. ***Institutions*** include metrics related to government leadership (such as policy setting, capacity, and institutional arrangements). ***Delivery*** comprises the building blocks related to benefit and service delivery (including program design and delivery systems) and information systems. ***Finance*** includes metrics related to the predictability and sustainability of SP financing. The typology ranks maturity on each dimension from nascent, to emerging, and finally, to established. Countries with nascent systems demonstrate low institutional capacity; limited program offerings and coverage, rudimentary delivery systems, and ad-hoc financing arrangements; while those at the established level demonstrate strong government leadership, high institutional capacity, modernized and efficient mechanisms for program delivery; well-performing information systems to support the delivery of SP programs and services; and reliable and predictable financing for SP benefits. Countries operating at an emerging level of maturity, have moved away from nascent systems, but not yet achieved the maturity and performance of established systems. It is also important to note that a country may be nascent on one dimension and established on another.

The second component of the Framework assesses the extent to which country SP systems are adaptive along the three SP dimensions. This component goes beyond looking at regular SP delivery, by assessing the extent to which SP Institutions, SP Delivery (including programs and information) and SP Finance are adaptive. The note includes a checklist outlining key features for effective ASP along each of these dimensions. Additionally, the accompanying guidance notes to this piece on Adaptive SP Information Systems, Post-Disaster Household Assessments and Eligibility Determination for Post-Disaster SP Benefits, Adaptive Social Safety Nets, Using Social Work Interventions for ASP, and Disaster Risk Finance for ASP, provide additional lessons on improving ASP systems in the region.

The final element of an ASP Framework for LAC countries identifies how well SP systems (Institutions, Delivery, and Finance) support the DRM pillars of risk identification, risk reduction, preparedness, resilient reconstruction and financial protection. It is the argument of this synthesis note that SP has a potentially strong role to play to support each of these five pillars, given its importance for ensuring household preparedness, response, recovery, and ultimately, resilience to disaster events. SP benefits and services, their human resources, information systems and delivery mechanisms are important to supporting all of these pillars and should be strongly coordinated across sectors to be effective.

It is important to note that while the focus of this synthesis note, and its accompanying guidance notes, is on disasters triggered by natural hazards (including those exacerbated by climate change), ASP can be applied to a myriad of other shock types, including economic crises, conflict, and fragility. Indeed, the current experience of the COVID-19 crisis globally, and in LAC, has underscored the importance of ensuring that SP systems are adaptive to quickly respond to the impacts of different types of shocks. The framework presented in this series of notes is therefore relevant and pertinent to other types of emergencies and shocks.

Overall, this synthesis note argues that LAC countries should:

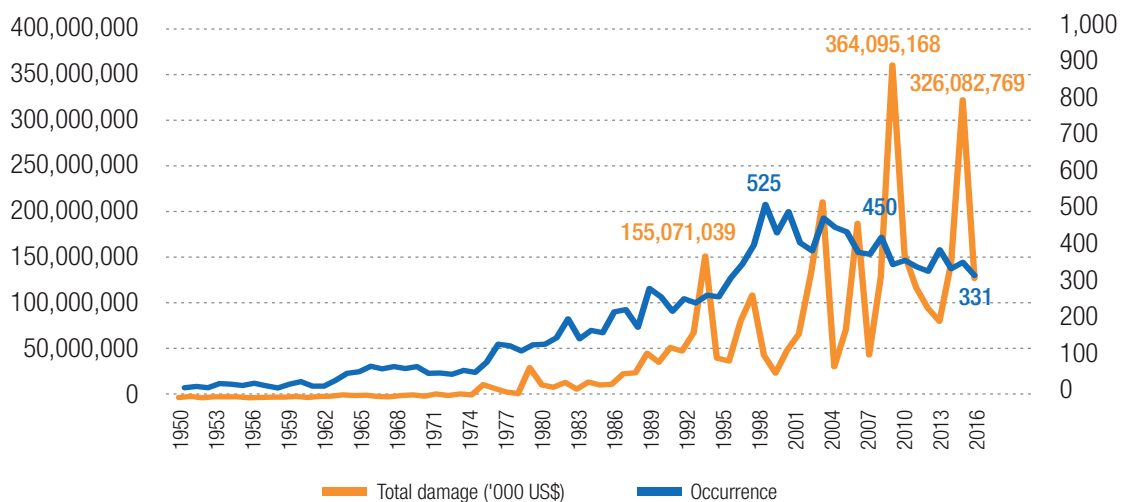
1. Improve the performance of their SP systems where critical gaps to regular delivery persist;
2. Strengthen the adaptability of the SP systems through design tweaks, program adjustments and documenting ASP processes; and
3. Use SP benefits, services and delivery systems to support risk identification, risk reduction, preparedness, resilient recovery and financial protection in order to ensure more impactful resilience and recovery outcomes.



Disaster risk is driven by three factors: hazards, exposure, and vulnerability. In terms of disaster risk, hazards are dangerous phenomenon that may cause loss of life, injury, property damage, loss of livelihoods, etc.; exposure refers to the location of people and assets in hazard-prone areas; while vulnerability refers to characteristics or circumstances of a community, system or asset that make it susceptible to the damaging effects of a hazard.³ These three factors are core to a foundational understanding of the interlinkages between SP and addressing disaster and climate-related risks. With that understanding, in this paper we will refer to disaster risk as risks related to natural phenomena, geological and hydrometeorological, including those that are going to be exacerbated by climate change.⁴ Also, in this paper we will refer to disasters triggered by natural hazards. Despite this focus, the messages of this note are applicable to other types of covariate shocks, including economic shocks; health pandemics; and shocks caused by conflict.

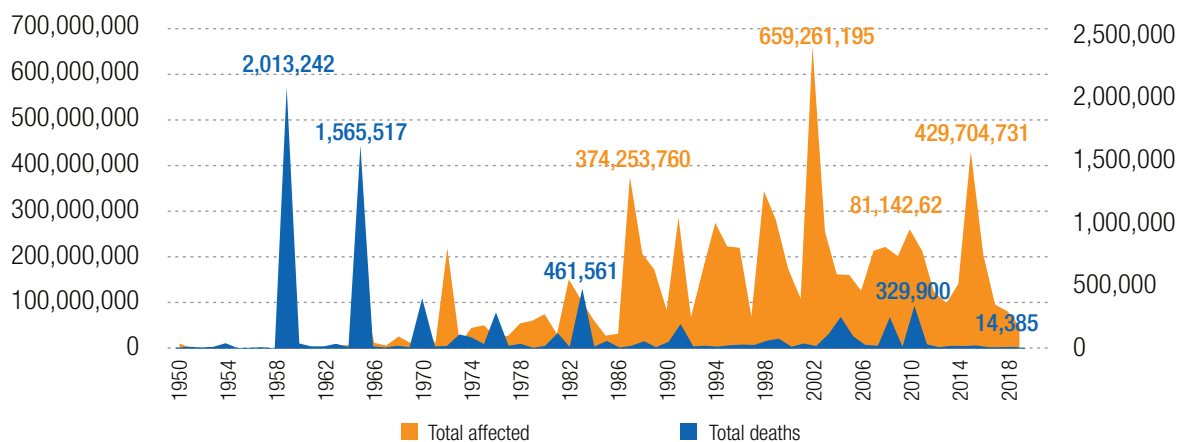
The number and severity of disasters worldwide has increased dramatically in past decades, with exponential costs to countries and people. The annual frequency of disasters increased by 250 percent and the number of affected people increased by 185 percent between 1980 and 2012. Although recent years have shown slight reduction in the occurrence of disasters globally (Chart 1), these events remain severe with high costs to countries and their populations. Additionally, while there has been a decline in the number of people affected by disasters in recent years, disasters still affect 210 million people annually on average.⁵ The number of deaths resulting from disasters globally has also been on the decline, but the financial cost of these events has increased.

Chart 1: Occurrence and Costs of Disasters Globally



Source: EM-DAT International Disaster Database (1950-2018)

Chart 2: Number of Deaths and Affected by Disasters Globally



Source: EM-DAT International Disaster Database (1950-2018)

The total costs of damages attributed to disasters remain cripplingly high (Chart 1). The economic losses associated with disasters were estimated to be around US\$70.3 billion in 2015,⁶ but increased to US\$141 billion in 2016, and US\$335 billion in 2017.⁷ Looking ahead, the financial and human impacts of disasters are forecasted to exponentially increase in the years to come. Recent climate models⁸ project robust changes in the coming decades as a result of global warming (1.5 degrees Celsius increase or more) including more hot extremes in inhabited regions,⁹ life-threatening levels of drought, and dangerous levels of precipitation (contributing to flood hazards). The increase in the Earth's temperature is likely to lead to rising sea levels, more extreme weather events, and the destruction of agriculture and fisheries, interrupting livelihoods and food sources.¹⁰

For countries in Latin America and the Caribbean, high exposure to, frequency, and costs of disasters pose a major threat to growth and prosperity. LAC shows high exposure to multiple hazard types (Chart 3) and disaster events of varying types have been on an upward trend for the region (Chart 4). The region is particularly susceptible to storms, floods, earthquakes and landslides, while slow-onset shocks such as droughts are increasingly problematic for Central and South America. Since 2000, the region has experienced 548 floods, 330 storms, 75 earthquakes, 74 instances of drought, and 66 landslides.¹¹ This increased frequency continues to affect a significant number of persons yearly, with high costs. According to the publication *Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters*, Guatemala is the least resilient of the 117 countries assessed overall, while Peru, Panama and Honduras are among the 20 least resilient countries in terms of exposure, asset vulnerability, size of government transfers and income diversification. In the Caribbean, at least one country is expected to be hit by a major hurricane each year,¹² and each sub-region in LAC continues to face multiple hazards yearly.

Chart 3: Exposure by Hazard Type in LAC

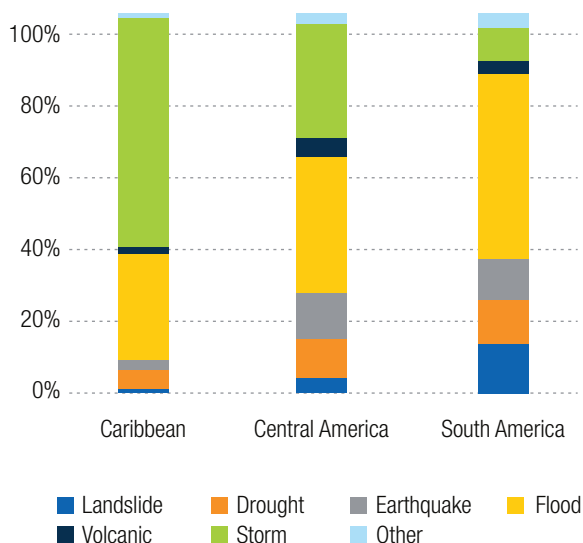
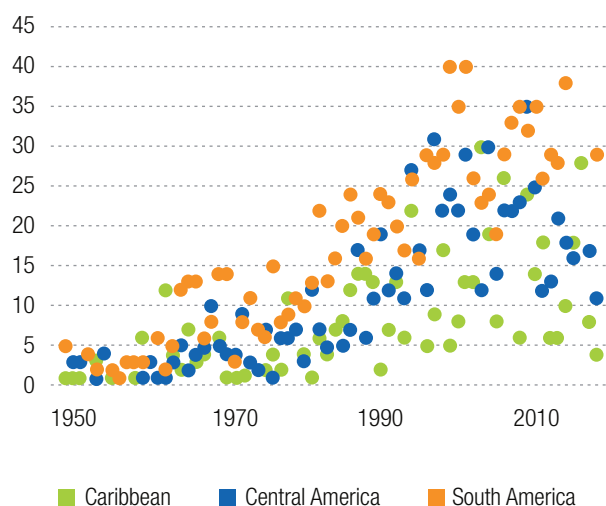


Chart 4: Occurrence of Disasters in LAC¹³



Sources: Chart 3 - Baez et al, 2015. Based on EM-DAT International Disaster Database
 Chart 4 - EM-DAT International Disaster Database, 2020

Disaster events triggered by natural hazards in recent years have been particularly devastating to the region. Since 1998, Latin American and Caribbean countries have experienced some of the greatest economic losses as a percentage of GDP resulting from disasters (Table 1). In 2017, the Americas recorded the highest economic losses from disasters, with 88 percent of the total costs from 93 disasters accruing to the hemisphere.¹⁴ Every LAC country provides an example of the debilitating impacts of disasters in the region. In 2018, Guatemala was ranked the fifth country globally by the number of people affected by disasters.¹⁵ Hurricane Ivan, which struck Grenada in 2004, damaged 90 percent of the country's infrastructure, left 95 percent of the population in the poorest quintile homeless, and resulted in estimated damages amounting to US\$1.15 billion (148 percent of the country's Gross Domestic Product (GDP)).¹⁶ More recently, Hurricane Maria, a category 5 hurricane which struck Dominica in September 2017, caused damages and losses amounting to 259 percent of the country's GDP (US\$1.46 billion); and damaged 90 percent of the country's housing stock.¹⁷ That hurricane was one of the fastest intensifying storms in history, increasing from a Category 1 hurricane to Category 5 in 15 hours.¹⁸ The year 2017 was also particularly devastating for Mexico, where the country was hit by two tropical storms, three hurricanes, and two major earthquakes between August to September. These events resulted in over 471 fatalities, affected more than 12 million people, and caused an estimated US\$2.5 billion in damage and losses.¹⁹ Finally, the Category 5 Hurricane Dorian which struck the Bahamas in September 2019 caused US\$3.4 billion in damages and losses, left 74 persons dead and approximately 282 persons were still on the official missing list in May, 2020.²⁰ Shortly after the hurricane, there were over 2,000 persons in shelters, and the Bahamian islands of Abaco and Grand Bahama were near uninhabitable.²¹

Table 1. Top 7 countries affected by climate related disasters - greatest losses as a percentage of GDP (1998-2017)

Event Name and Date	Countries/Territories Affected	Economic losses (billions US\$)	Economic losses (%of GDP)
Hurricane Irma- Sept. 2017	Sint Maarten	2.50	797
Hurricane Irma- Sept. 2017	Saint Martin	4.10	584
Hurricane Maria- Sept. 2017	Dominica	1.46	259
Hurricane Ivan- Sept. 2004	Grenada	1.15	148
Hurricane Georges- Sept. 1998	Saint Kitts and Nevis	0.60	110
Tropical Storm Erika- Aug. 2015	Dominica	0.50	90
Hurricane Mitch- Oct. & Nov. 1998	Honduras	5.68	73

Source: Adapted from Wallemacq, et al. 2018. Center for the Research on the Epidemiology of Disasters. Data excludes overseas territories: British Virgin Islands, Cayman Islands and Puerto Rico.

While disasters can impact anyone, the poor often bear the brunt of shock impacts, while the vulnerable (those above the poverty line but not in the middle class)²² and other disadvantaged populations fall into poverty. The *Unbreakable* report estimated that extreme disasters result in US\$520 billion in lost annual consumption, while pushing 26 million people into poverty.²³ The poor and vulnerable are disproportionately impacted by disasters as their livelihoods depend on fewer and more vulnerable assets; their consumption is closer to subsistence levels; they cannot rely on savings to smooth shock impacts; their health and education are at greater risk; and they may need more time to recover. When the poor are affected, the share of their wealth lost is two to three times that of the non-poor, largely because of the nature and vulnerability of their assets and livelihoods. Moreover, a global analysis suggests that poor people are nearly twice as likely to live in fragile dwellings. Studies have also shown that poorer households are less resilient psychologically to recover from a disaster as they often don't have the resources to mentally process the loss of someone in the household or the total destruction of their household.²⁴ Government recovery efforts are often focused on public infrastructure reconstruction, but very few formal structures are in place to support the most affected populations in their recovery, thus putting them at risk of falling back into or deeper into poverty.

Although LAC countries have made considerable progress in reducing poverty, disaster risks threaten to reverse those achievements. After decades of sustained growth and poverty reduction, the vulnerable are the largest population group in the region. In 2015, they represented nearly 40 percent of all persons in Latin America, while those in poverty had stagnated around 23 percent.²⁵ There is increasing evidence that the negative impacts from climate change could further revert progress in poverty reduction and cause others to become vulnerable.²⁶ These effects operate not only through the short-term reduction on consumption, but through the destruction of productive assets affecting the income generating capacity, with negative consequences for ensuring equity boosting shared prosperity. Evidence from LAC countries further reinforce these points. The poor in LAC countries also disproportionately experience shock incidents (see Charts 5 and 6 below). Recent estimates for Central America show that an increase in hurricane intensity causes losses between 0.9 and 1.6 percent of GDP, and increases extreme poverty by 1.5 percentage points.²⁷ For Dominica, a post-disaster needs assessment following Hurricane Maria estimated that poverty could increase by close to 14 percentage points if consumption impacts were left unaddressed.²⁸ In Nicaragua, droughts in 1997–98 and 2000 increased the probability that households would remain trapped in poverty by 10 percent.²⁹

Chart 5: Incidence of shocks by quintile, Colombia

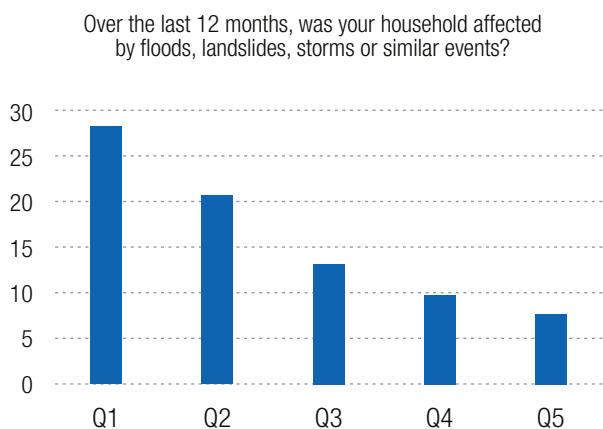
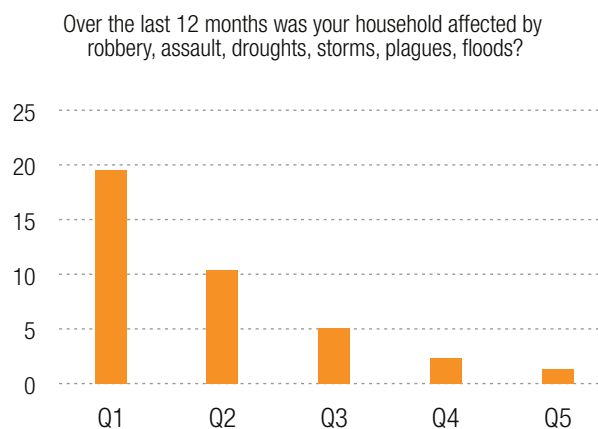


Chart 6: Incidence of shocks by quintile, Peru



Source: Baez et al, 2015 - Colombia (based on ECV 2013), Peru (based on ENAHO 2013).

Beyond poverty impacts, disaster events and climate risk are also a threat to human capital, mental health, and overall well-being in LAC countries.

In Guatemala, Hurricane Stan in 2005 increased the probability of child labor by seven percent in areas hit by the storm, as parents withdrew their children from school to work. In Mexico, once children have been taken out of school, even just for a temporary shock such as a flood, they are 30 percent less likely to proceed with their education, compared with children who remain in school.³⁰ Following the 2010 earthquake in Haiti, poorer households were more dependent on temporary employment than wealthier households.³¹ These effects are not fully reversible, and in many ways, prevent the inter-generational cycle of poverty from ever breaking. Impacts on well-being have also been shown to have devastating impacts. In Nicaragua, a study of adolescents conducted six months after Hurricane Mitch struck the country in 1998 uncovered instances of post-traumatic stress disorder (PTSD) and depression, particularly among those in the most affected communities and those who experienced a death in the household.³²

Latin American and Caribbean countries have made great progress in terms of managing disaster risk. The region is one of the leaders that has systematically moved from reactive disaster management to a more integrated approach to disaster risk management. The Caribbean for example was the first region to create a pooling insurance mechanism, owned by countries of the region. Central America is the first region in the world that has a regional DRM policy. Finally countries like Colombia and Mexico have been leaders in developing disaster risk models and comprehensive DRM policies, which have been replicated around the world. Of course, the state of DRM systems in each country varies, however, most of the countries of the region have developed national DRM policies. Nevertheless, countries continue improving their legislations and policies, for example incorporating new innovative approaches like ASP considerations. This paper will provide some guidance on incorporating ASP in DRM strategies.

In sum, the continued impact of disasters and negative effects of climate change are likely to stymie poverty reduction efforts, human capital development, the achievement of national development goals, and consequently economic growth. For LAC countries, managing these impacts requires tailored responses that are appropriate to risks, to avoid reversing the poverty reduction achievements. The next section of this note offers a brief review of LAC Social Protection Systems and their relevance to addressing these risks.

Social Protection (SP) systems, policies, and programs help individuals and societies manage risk and volatility and protect them from poverty and destitution.³³ SP helps facilitate *equity*, build *resilience* and promote *opportunity* through

benefits and services that include non-contributory social assistance or social safety nets; active labor market programs; social care services; and contributory social insurance. Critical to achieving the intended outcomes of SP, are the overall systems that guide the delivery and policy framework for this sector. A review of the building blocks of SP systems³⁴ identifies three key building blocks or dimensions of SP systems. The first block is **'Institutions'**, including legal frameworks, institutional arrangements, oversight and controls. SP **'Delivery'** includes business processes and functions related to programs and their delivery systems (including information systems, citizen interface, and monitoring mechanisms). Finally, **'Financing'**

is categorized separately given its importance to sustainable and reliable SP delivery. These three dimensions are useful to assessing the performance and maturity of SP systems.

Chart 7: Social Protection Functions



Source: Based on the World Bank Social Protection and Labor Strategy (2012-2022)

LAC countries have been pioneers in implementing social protection programs and services, mainly targeted to the poor and vulnerable, with proven results in poverty reduction and human capital development. Most notably, LAC countries have pioneered conditional cash transfers which promote human capital development among poor households. These were first implemented in countries such as Mexico, Brazil and Jamaica, before expanding across the region and globally. The SP programs and services provided in LAC countries include non-contributory social safety nets (including cash and in-kind transfers) and social services to protect against destitution and facilitate equity; contributory social insurance schemes (including pensions) to prevent against life-cycle risks; and active labor market programs (including skills training and employment services) and productive inclusion interventions to promote opportunity. LAC countries today provide an array of social safety nets to help households and individuals deal with chronic poverty and destitution, including conditional and unconditional cash transfers, in-kind transfers, public works programs and fee

waivers etc. Beyond social safety nets, social security schemes are well-established in most countries; social care and social intermediation services are provided in several countries, including Chile and Jamaica; and resilience building labor market programs are of increased importance, including for Argentina, the Dominican Republic, Jamaica, and Peru, among other countries.

Chart 8: SP Spending by Region

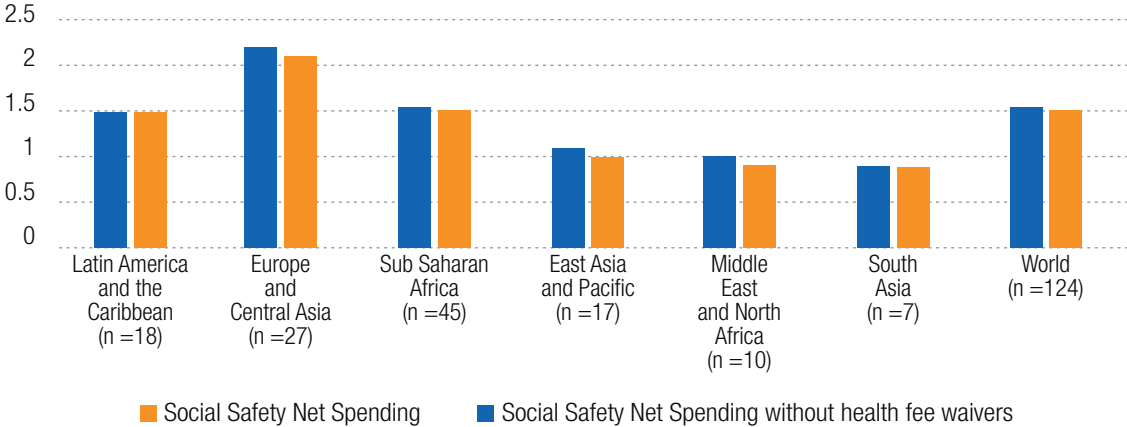
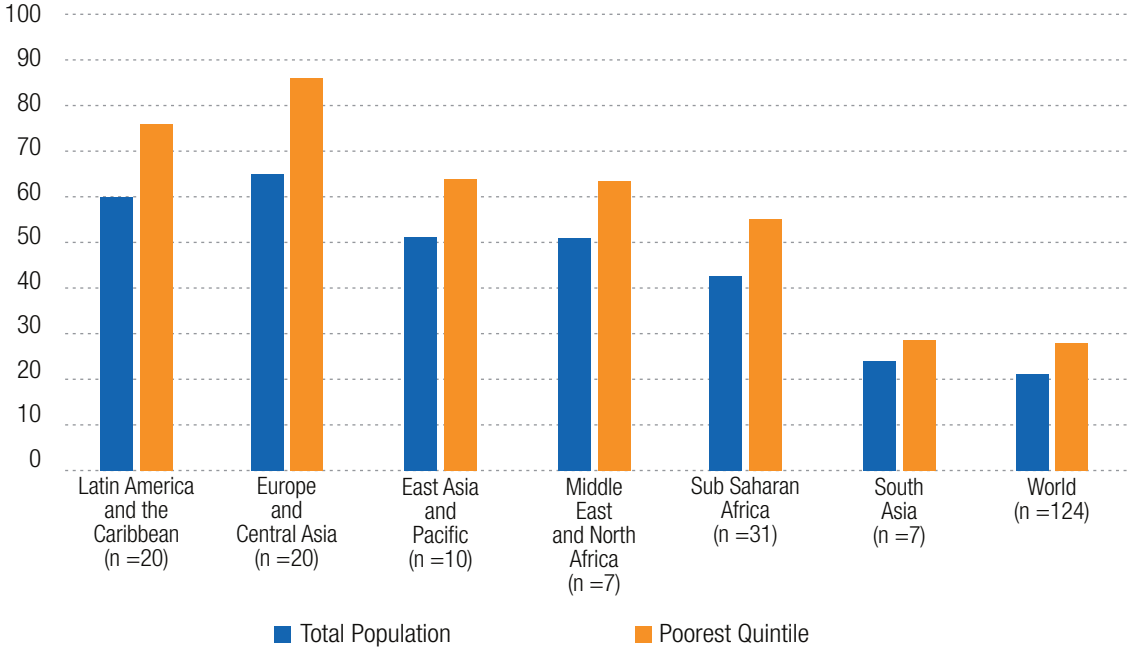


Chart 9: SP Coverage by Region



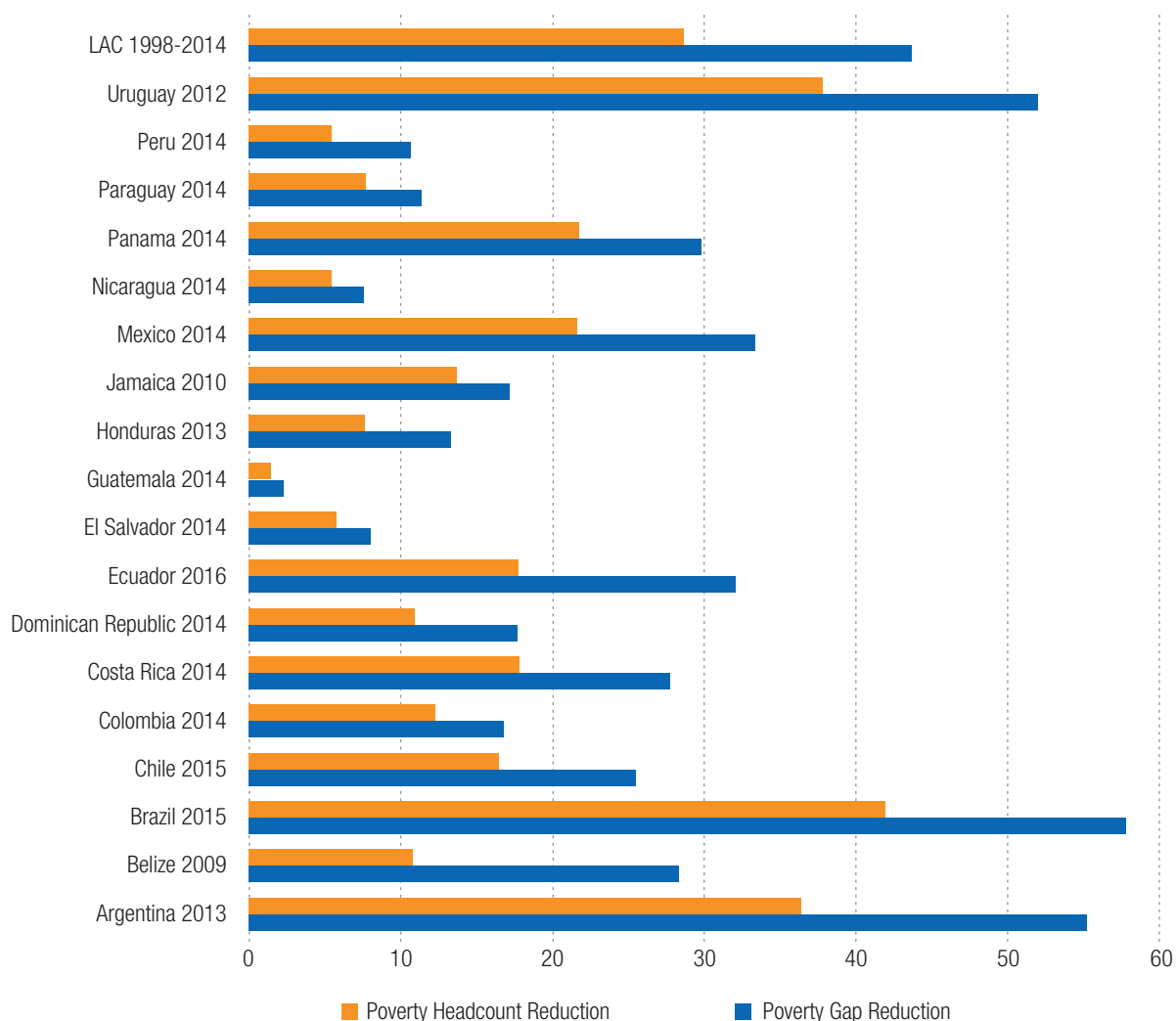
Source: State of Social Safety Nets, 2018. (The World Bank)

An important distinguishing characteristic of most LAC SP systems is clear leadership for the sector by Government. This leadership is characterized by several salient features. Firstly, most LAC countries have institutionalized Ministries and other public agencies with specific responsibility for SP delivery and oversight. These include sector Ministries responsible for Social Development, Social Services, Social Protection, Social Security etc. (for instance in Chile, Guatemala, Guyana, Trinidad and Tobago, and Peru among others); or executive agencies or administrative departments with executive oversight (e.g. in Colombia and the Dominican Republic). Most LAC countries also have established legislation, policies and/or strategies to govern the SP sector, including Argentina, Chile, the Dominican Republic, Jamaica, Grenada and Peru among others. Additionally, national development plans routinely include specific goals and targets for poverty reduction and universal social protection. The provision of reliable annual budgetary allocations for SP benefits and services also reinforces the importance of Government leadership for SP delivery in LAC. As Chart 8 illustrates, SP spending in LAC countries is close to the global average and exceeds SP spending levels for most regions. As most SP benefits and services in LAC are financed from Government recurring budgets, these spending levels further illustrate the region's commitment to reliable delivery of SP.

SP systems in LAC countries often perform positively on various SP performance metrics. Common performance metrics for SP programs include the coverage of programs among the population and target groups, particularly the poor; adequacy of benefits to ensure they meet intended purposes; spending levels; and impact. SP programs in LAC cover a broader segment of the poor and the total population when compared to other regions (Chart 9). SP programs in LAC cover 60 percent of the total population, while 76 percent of those in the poorest quintile receive at least one SP benefit or program (second only to the Europe and Central Asia region). The adequacy of SP benefits in the region is also the highest when compared to other regions, at 35 percent.³⁵ SP programs in LAC have also been evaluated for impact, with demonstrated results in reducing poverty, inequality, and boosting human capital. For instance, social protection and labor (SPL) programs have led to a 43.3 percent reduction in the poverty gap for the poorest quintile and a reduction in the poverty headcount by 28.4 percent (Chart 10). Countries such as Uruguay, Brazil, and Argentina in particular have made significant reductions in both the poverty gap and poverty headcount due to provision of SP benefits in those countries. Additionally, there have been several evaluations demonstrating improved human capital attributed to the delivery of SP benefits and services. For instance, *Argentina's Entra21* program which provided adult skills training and internships, resulted in 40 percent higher earnings for participants; while in Nicaragua, the provision of a productive grant combined with complementary services resulted in increased earnings for the poor and vulnerable women targeted by the program.³⁶

Countries in the region have also pioneered innovations in the administration and delivery of SP programs and services. These include SP outreach mechanisms, targeting instruments, benefit delivery mechanisms, social and beneficiary registries and other SP information systems (SPISs), to help ensure efficient and effective delivery. Objective targeting mechanisms to determine eligibility for targeted poverty alleviation programs are used in most LAC countries and are updated to ensure their potential for accurately identifying the poor among program applications. Social registries,³⁷ an important resource to support intake, registration, and determination of potential eligibility, are present in Brazil, Colombia, Chile, the Dominican Republic, Mexico, and several other LAC countries, at times demonstrating high coverage (see Chart 11). Electronic payment delivery in several LAC countries allows for fast, reliable benefit delivery. Integrated payment delivery mechanisms in countries such as the one implemented by the Dominican Republic³⁸ also allow for efficient benefit delivery for multiple programs. One-stop shops and referral mechanisms to link safety net beneficiaries with complementary programs and social services in Chile, are some examples of the level of maturity of these delivery systems in LAC countries.

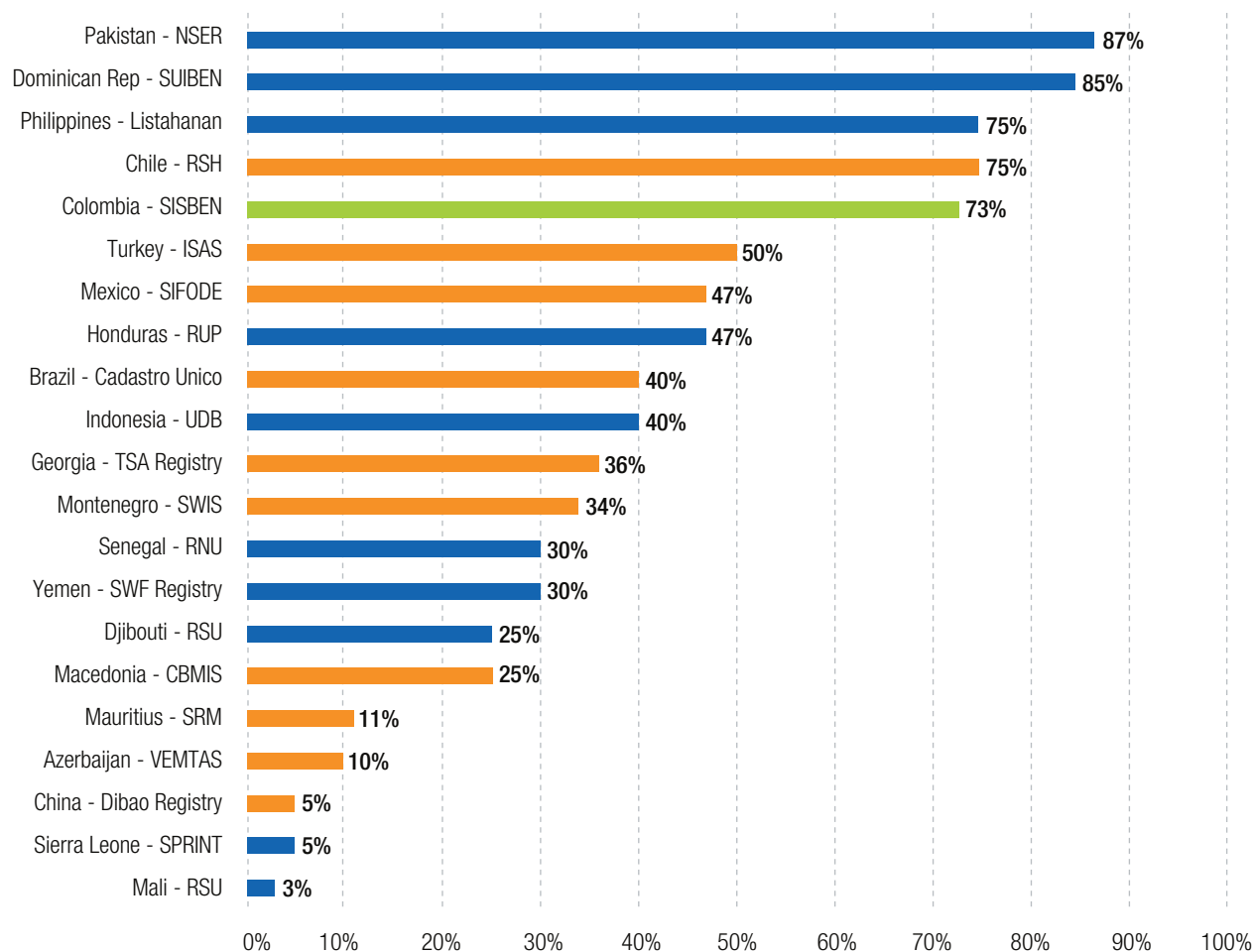
Chart 10: Reduction in Poverty Gap and Headcount – poorest quintile (%)



Source: Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE)

Despite these achievements, lingering challenges to effective SP performance in LAC include large coverage gaps, low spending, and limited adequacy in some countries. These gaps leave millions excluded from social protection benefits and services, hindering their ability to build resilience and exit poverty. Notwithstanding its status as having the second highest SP coverage compared to other regions, 40.2 percent of all households in LAC are still not covered by any SP transfer. Additionally, several LAC countries spend well below the global and regional average of 1.5 percent of GDP on social safety nets, with spending as low as 0.19 percent of GDP for Guatemala in 2013. Finally, while SP programs in some countries have been able to make significant reductions in the poverty gap and headcount; poverty reduction has been limited in other countries (Chart 10). Particularly when looking at reduction in the poverty gap for the poorest quintile, countries such as El Salvador, Guatemala and Nicaragua demonstrate much lower reduction than their counterparts in the region. The implications of these gaps are significant when considering the high levels of vulnerability and risk to covariate shocks in the region. This has consequences for the effectiveness of resilience building and risk reduction efforts, and for the timeliness and appropriateness of post-disaster SP interventions.

Chart 11: Social Registry Coverage Across Select Countries



Source: Leite et al, 2017. (World Bank); Administrative Data for Honduras, 2019

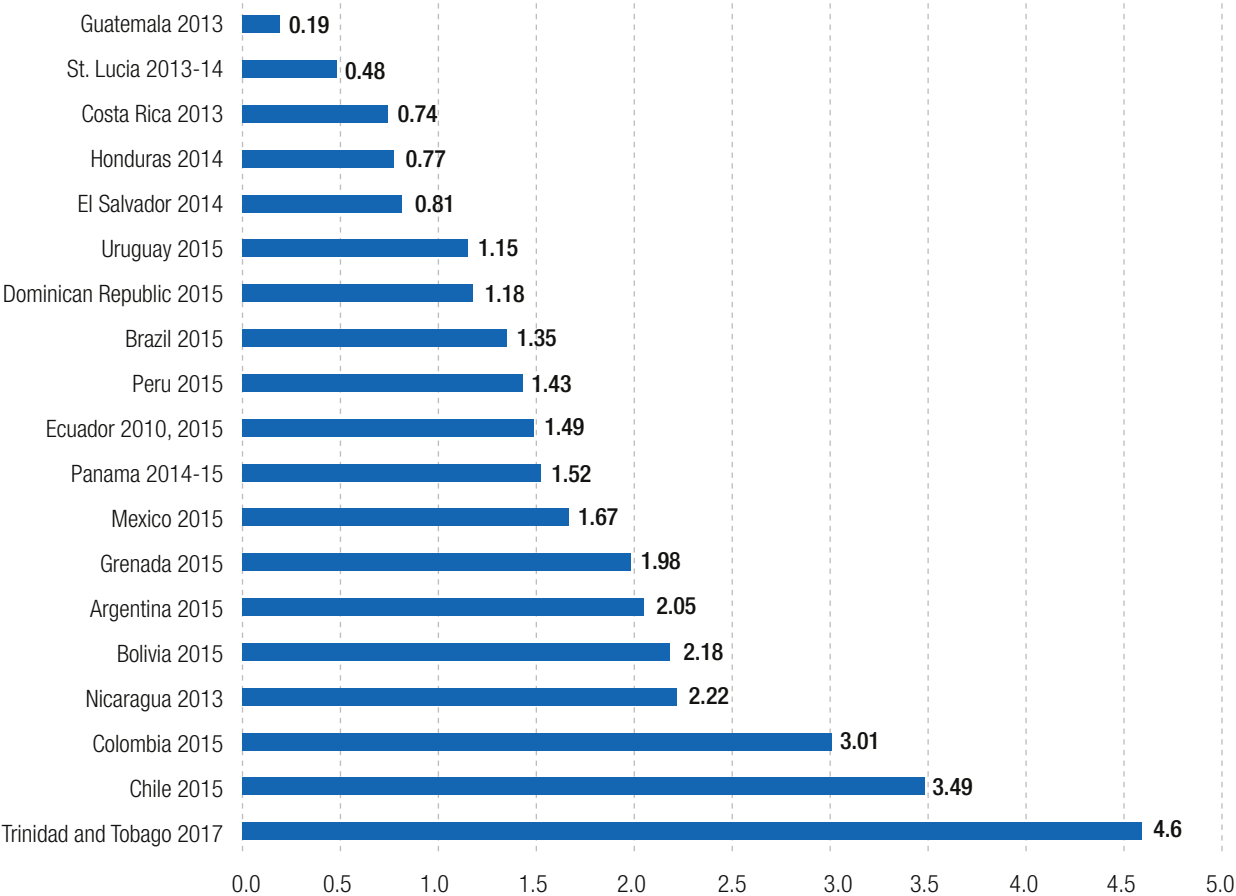
The chart demonstrates coverage as the percentage of the population included in the social registry (circa 2015-2017). Countries in red are primarily on-demand systems for intake, while those in blue carry out en-masse registration through census or survey sweeps. Colombia (in green) uses a combined approach.

Several country examples help illustrate the diversity of SP system maturity across LAC. Countries such as Brazil, Chile and Mexico are pioneers among their regional neighbors, with flagship programs and robust SP delivery systems that have often been replicated across the region and throughout the world. Most Caribbean countries, with the exception of Jamaica and the Dominican Republic, are still piloting reforms to modernize their delivery systems and reduce inefficiencies that hamper program effectiveness. Central American countries have acquired experience in implementing conditional cash transfers and other programs, but still face significant vulnerability due to fiscal constraints, institutional capacity, and challenges with client interface. And still, other South American countries including Colombia and Argentina are improving elements of their SP delivery systems to ensure they take a more comprehensive approach to addressing the multi-dimensional nature of poverty. Finally, some of the countries with more developed delivery systems are still working on improving program and system designs, including moving to more integrated information systems in the Dominican Republic; and strengthening graduation and productive inclusion agendas among beneficiaries in Jamaica and Peru, for

instance. This heterogeneity therefore requires nuanced approaches to examining the effectiveness of SP systems in LAC and their utility for addressing disaster impacts and climate risks.

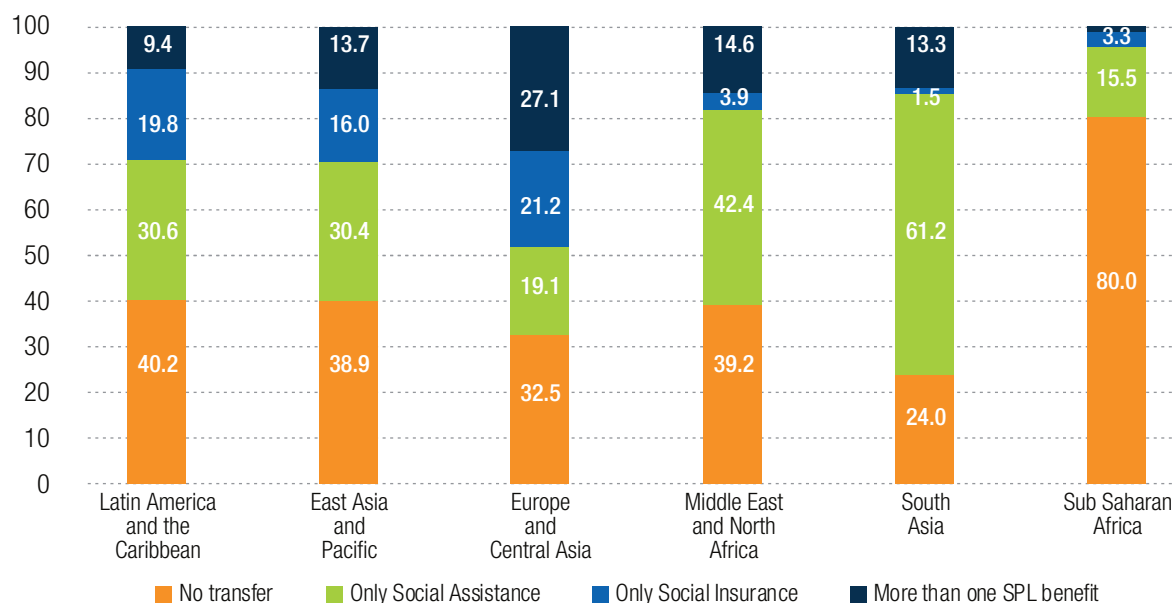
Countries in LAC have also faced hurdles with effectively building resilience among poor households and linking them to opportunities for productive inclusion. Productive inclusion strategies seek to build the capacity of the poor and vulnerable to participate in labor markets, and gain access to credit and markets. These initiatives have expanded through pilots across the region, but evidence is still thin. Countries such as Peru have been pioneers in these strategies, often linking beneficiaries to activities that support climate-resilient livelihoods. Other countries such as Jamaica, have introduced such strategies to help break inter-generational poverty among safety net beneficiaries, including addressing livelihood constraints in urban contexts. However, these strategies have not been institutionalized in many countries. This is resulting in a clear missed opportunity for effective inter-sectoral coordination to build resilience of the poor. Additionally, countries that have piloted these interventions have faced challenges scaling them up,³⁹ effectively coordinating delivery; or ensuring their strong linkages to income earning strategies with potential for growth.

Chart 12: Public Spending on Social Assistance (% of GDP)



Sources: Data from ASPIRE for all countries except Trinidad and Tobago, whose data is sourced from the Social Sector Investment Report 2018, Ministry of Finance.

Chart 13: SP Coverage Gaps Across Regions (% of the population)



Sources: ASPIRE

Finally, in addition to hindrances to effectiveness, LAC countries also face are several service delivery gaps which limit efficient and appropriate provision of benefits and services.

Notably, while social and beneficiary registries are common features in most LAC countries - their use, coverage and level of integration varies markedly. Many Caribbean countries in particular, do not have established social registries in place that store data on all program applicants for poverty-targeted benefits and services. Instead, simple electronic databases of program beneficiaries perform the function of social registries. Few countries in the region also have integrated social information systems to facilitate information sharing across sectors. This constrains the ability of public providers to have a consolidated view of poor households to ensure they receive an appropriate package of benefits and services appropriate to needs. Payment mechanisms vary across LAC countries, with some countries offering beneficiary choice in benefit receipt, while others rely on a single payment mechanism to deliver benefits. While electronic payments are quite common in LAC countries, some countries in the region are not leveraging electronic payment delivery to facilitate financial inclusion. For instance, payment assessments for several Caribbean countries including Dominica, Grenada, St Vincent and the Grenadines, revealed that despite having some of the highest credit union penetration rates globally, social protection payments were still largely being delivered in cash.⁴⁰

LAC countries have been working to address performance constraints in their SP systems.

Despite the comparative maturity of SP systems in the region, LAC countries have recognized the importance of addressing the lingering constraints to effective SP outcomes. These efforts include improving targeting mechanisms in several Caribbean countries; strengthening social registries in Colombia, Ecuador and the Dominican Republic; expanding coverage to the poor and other vulnerable groups in Ecuador and other countries; and improving links to productive inclusion in Jamaica, Peru, Honduras, among others. These reforms, once completed, will help ensure that SP systems are best positioned to support poverty reduction efforts, and to better help populations manage the risks they face.

In summary, SP systems in LAC are quite unique given the clear Government responsibility and mandates for SP, as well as maturity and performance of SP systems. Nevertheless, LAC countries still face constraints to effective and efficient delivery of SP benefits and services.

Addressing these issues is not only critical to reducing poverty but is essential for ensuring that households are better able to absorb, anticipate, and recover from climate events.

Social Protection (SP), Disaster Risk Management (DRM) and Climate Change Adaptation (CCA) are three communities of practices that are primarily concerned with anticipating and preventing risk, and reducing their impacts on individuals, households, communities, and countries. Among SP policy practitioners, the focus is to help individuals, families and societies manage risk and volatility, smooth consumption and protect them from poverty and destitution.⁴¹ DRM applies disaster risk reduction strategies to strengthen resilience and reduce disaster losses by preventing new disaster risk, reducing existing disaster risk and managing residual risk.⁴² The five core pillars of DRM outlined in the Sendai Report of 2012 and include: (i) Risk Identification; (ii) Risk Reduction; (iii) Preparedness; (iv) Financial Protection; and (v) Resilient Reconstruction.⁴³ CCA refers to efforts causing short- and long-term adjustments in individual, group and institutional behaviour in order to reduce society's vulnerabilities to climate risks.⁴⁴ All three areas are therefore linked by a fundamental concern with reducing vulnerability and building resilience, be it to poverty, disasters or long-term changes in average climate conditions and their distribution over time and space.⁴⁵

In addition to the common objective of vulnerability reduction; SP, DRM and CCA are concerned with longer-term preventive, mitigative, and restorative interventions. CCA and DRM, for instance, stress the need to increase resilience of livelihoods to both sudden and slow-onset climate hazards. Likewise, the emphasis in DRM on anticipating, preparing for and preventing adverse impacts from natural hazards is in line with adaptation perspectives. Adaptation is often distinguished from “coping”,⁴⁶ because of its focus on anticipatory, longer-term action, in the same way that disaster risk reduction should be distinguished from reactive, disaster response interventions. At the same time, there is a longstanding view that humanitarian and longer-term development interventions need to work better together.⁴⁷ Social Protection – and in particular its promotive and protective components – provides a potential bridge between the humanitarian-development divide and also to link disaster risk management and climate change adaptation. This is because it comprises a discrete set of interventions which can reduce vulnerability to poverty and to climate hazards across a range of timescales.⁴⁸

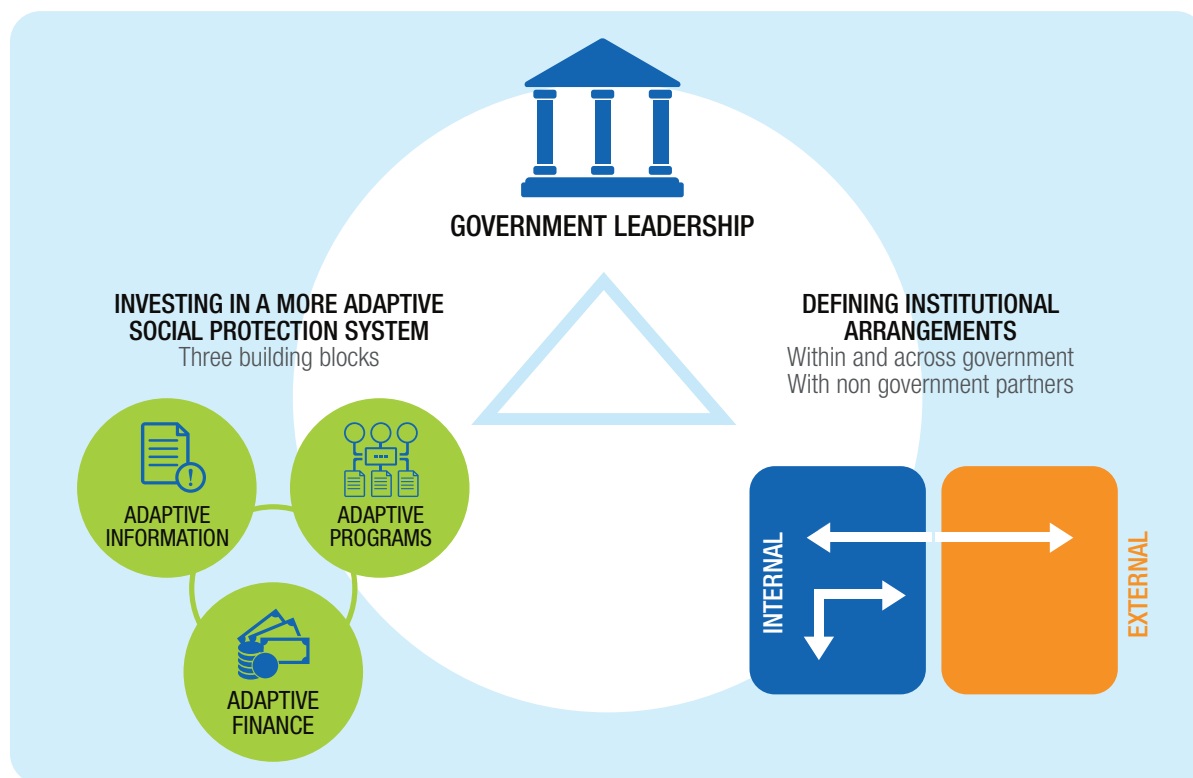
Adaptive Social Protection (ASP) seeks to ensure that SP interventions are best positioned to address the impacts of shocks, through preventive, preparedness and response actions. ASP approaches build on the recognition that SP systems have the capacity to buffer the impacts of a myriad of shocks on households' livelihoods, income, food security, and assets; while also being a vehicle of long-term change by enhancing the adaptive capacity of households.⁴⁹ At the core of Adaptive Social Protection, is recognizing the need to build the resilience of those that are poorest and most vulnerable, so they could better buffer the impacts of shocks when they occur, and ensuring that SP systems are well equipped to provide rapid and appropriate response to those in times of crises. Social Protection systems, through their institutional arrangements, benefits, services, and associated delivery mechanisms, are well-positioned to effectively support these objectives. Strengthening ASP in LAC countries will better position LAC SP systems to improve resilience and recovery from disaster and other climate related risks, as well as other covariate shocks that hamper well-being and resilience. The definition of Adaptive Social Protection⁵⁰ to guide this piece and framework is summarized below.

Adaptive social protection helps to build the resilience of households that are vulnerable to shocks through direct investments that support their capacity to prepare for, cope with, and adapt to shocks: protecting their wellbeing and ensuring that they do not fall into poverty or become trapped in poverty as a result of the impacts.

World Bank, 2020

Adaptive Social Protection includes a roadmap⁵¹ that is oriented around critical building blocks to better ensure capacity to prepare for, cope with, and adapt to shocks.⁵² Primarily, the building blocks (illustrated in Chart 14) recognize the paramount importance of Governments leading this agenda, particularly given the multi-sector nature of disaster and climate change issues, and risk of fragmented and uncoordinated approaches. Under this area, it is imperative of Governments to set objectives; define policies, strategies and legislation; address political economy issues; and establish the agenda for external actors and partners related to country ASP objectives and priorities. Given the multi-sector nature of ASP, well-defined and clearly articulated institutional arrangements are also vital, both horizontally (across government agencies, and between government and other non-government and external actors); and vertically (between different levels of state actors within government at the central and local levels). Coordinating among external actors and partners becomes increasingly important in low-capacity contexts and in situations of large-scale disaster events. Clearly defining these external institutional arrangements ex-ante is therefore critical for these contexts.

Chart 14: The Adaptive Social Protection Roadmap



Source: Adaptive Social Protection: Framing the Issues, presentation by Michal Rutkowski (2018)

Finally, the ability to ensure that SP programs, services, and information systems are adaptive and capable of responding to the nuanced needs in different shock contexts, while ensuring that fluid financing needs in these contexts can be met, are also crucial. On delivery, ensuring that SP information systems and SP programs are adaptive are critical. For adaptive information, this implies strengthening SP information systems to improve their relevance, completeness and accuracy; ensuring salient understanding of risks and vulnerabilities, including by triangulating data on poverty, climate and hazard risk; and improving interoperability and bi-directional data sharing across SP and other information systems. Adaptive SP programs should be intentionally designed to support the ASP objectives of preparedness, coping and adaptive capacity. For this to be effective, adaptive SP programs must be designed ex-ante with well-defined accompanying delivery systems and operational processes; and support both ex-ante resilience building as well as timely, appropriate, and adequate response to households affected by shocks. Lastly, adaptive finance requires ensuring accessible finance to cover anticipated costs and ensuring that post-shock SP needs can be covered adequately.

It is important to note that while the focus of this synthesis note, and its accompanying guidance notes, is on disasters caused by natural hazards, ASP is applicable to a myriad of other shock types, including economic crises, conflict, and fragility. Indeed, the current experience of the COVID-19 pandemic globally, and in LAC, has underscored the importance of ensuring that SP systems are adaptive to quickly respond to the impacts of different types of shocks (See Box 1).

Box 1: Social Protection Responses to COVID-19 in Latin America and the Caribbean

LAC countries responded quickly and innovatively to address welfare and income impacts resulting from this health pandemic through their SP institutions, programs, and service delivery systems. By March 20, 2020, as widespread shutdowns were being introduced globally, nine LAC countries had already announced various SP measures. These included provision of an **additional cash transfer** to social assistance beneficiaries in Argentina and Colombia; introduction of **a new cash transfer** for school feeding beneficiaries in Bolivia, to workers laid off during the crisis in Jamaica, and to poor and vulnerable households in Peru; **expanding** the Bolsa Familia CCT in Brazil by one million families; **utility subsidies** in Colombia and El Salvador; **adjusting benefit delivery** for school feeding, CCTs, and social pensions in Jamaica and Peru; introducing **wage subsidies** to businesses to incentivize job retention in Jamaica; introducing measures to **facilitate paid leave** for older workers, persons with pre-existing conditions, and those in quarantine in El Salvador and Panama; and **social insurance measures** in El Salvador and Mexico. By early May, 39 LAC countries (including overseas territories) had introduced the most SSN measures to address the crisis compared to other regions, with 137 social assistance measures, 19 labor market measures and 39 social insurance measures. Many of these responses including leveraging social registries to facilitate provision of benefits to non-beneficiaries (e.g. in Brazil, Colombia, the Dominican Republic, among others); using beneficiary registries to provide top-up benefits to safety net beneficiaries (most countries); and relying on social workers and SP program staff to deliver relief items to persons in quarantine (e.g. in Antigua and Barbuda and Jamaica). Despite these innovations, countries experienced challenges with responding to the crisis, including inter-alia, providing support to affected workers in contexts of high informality; where social registries do not exist or have low coverage; and where payment mechanisms are limited to cash-based modalities and not suitable for social distancing contexts. These experiences reinforce the need for improving ASP systems in LAC countries to be flexible to respond to a myriad of shock types.

Source: Gentilini, U., et al. Social Protection and Jobs Responses to COVID-19: A Real Time View of Country Measures (World Bank) Version 1 – March 20, 2020 and Version 3 - May 8, 2020.

As LAC countries continue to strengthen their social protection programs and delivery systems, there have been increasing efforts to deploy SP benefits and services, and adapt elements of SP systems, to address disaster and climate risks. A series of qualitative and administrative assessments (see Table 2) have found that while countries such as Chile and Mexico have been at the forefront in this arena, others have had limited or ad-hoc experiences.

Chile links its national social household registry (*Registro Social de Hogares*) with the Basic Emergency Form (*Ficha Basica de Emergencia* - FIBE) to capture both socioeconomic and disaster damage data at the household level to support decision-making on assistance to affected populations. In Mexico, all cash transfer programs (including the social pension for the elderly, disability pension, and others) have formally included in their Operational Rules, the option to expand vertically in emergency situations by paying up to one additional month of benefits to cover priority needs caused by the natural events. The country also recently introduced a new program to improve the wellbeing of persons affected by emergencies.⁵³ Mexico also has a wealth of experience with delivering post-shock SP benefits previously through its former CCT program PROSPERA and former Temporary Employment Program (*Programa Empleo Temporal Inmediato* – PETI). Jamaica has structured implementation arrangements in place, with the Ministry of Labour and Social Security (MLSS) leading the post-disaster Humanitarian Assistance Committee and using the payment mechanism for the country's CCT program to deliver post-disaster payments to affected households. The Dominican Republic has developed an Index of Vulnerability to Climatic Shock (IVACC in Spanish) linked to the Single Beneficiary System (SIUBEN), which estimates the probability of a household being vulnerable to hurricanes, storms, and flooding, by combining data on housing, geographic location, and socioeconomic characteristics.

Despite these innovative experiences, the trend in LAC has been more ad-hoc use of SP to address disaster risks. This has usually manifested with countries making one-off decisions to scale-up or deploy SP programs and services after disasters, or to adjust one or multiple delivery processes (intake, payment, benefit amount) following a disaster event.

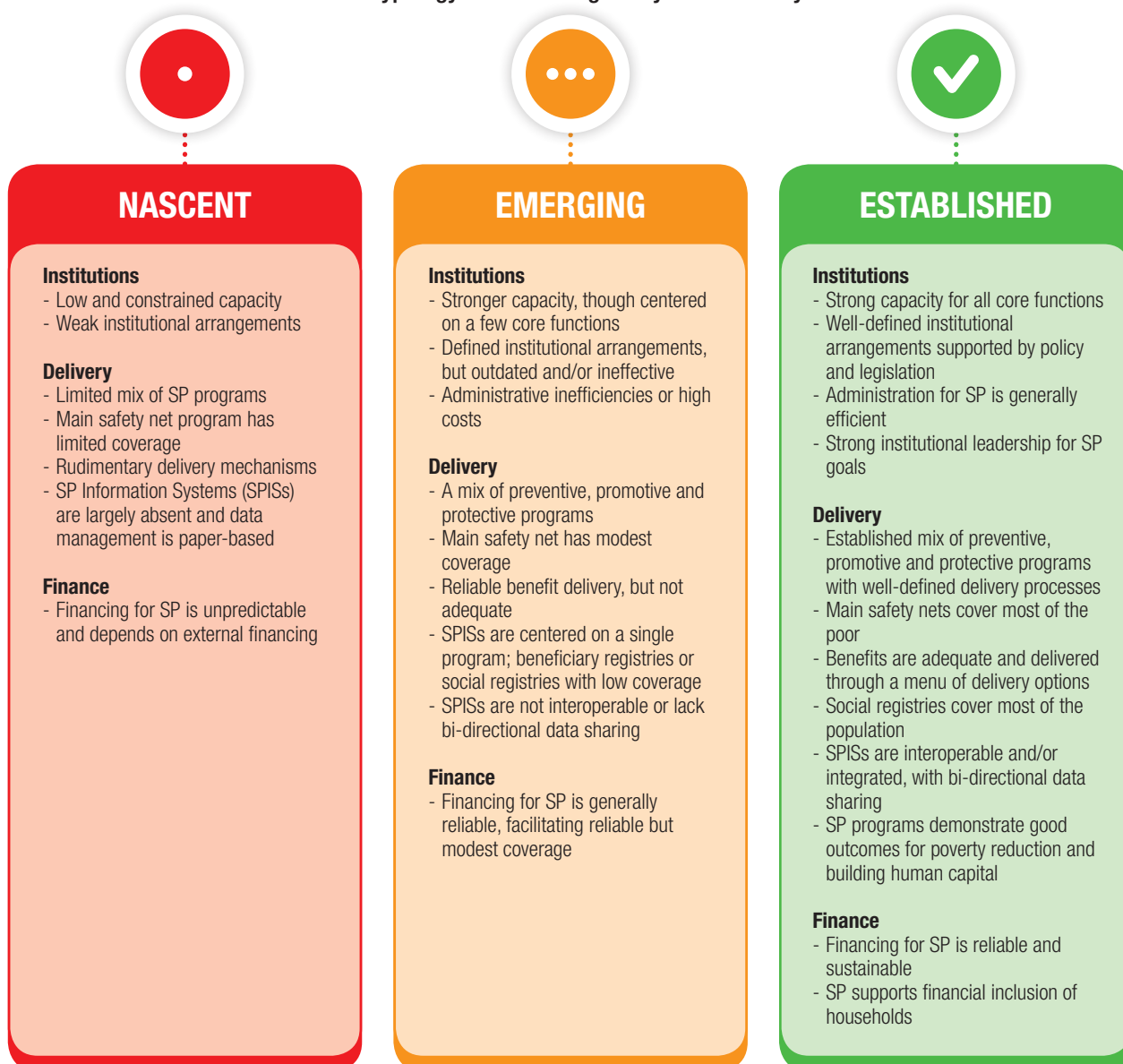
These ad-hoc decisions have helped ensure provision of SP benefits to respond to shock events, but have often come at the cost of poorly defined institutional arrangements, inefficient deployment of staff, weak quality control and slow responsiveness. While LAC countries have been introducing reforms to adapt their SP systems to disaster risks, they have struggled with institutionalizing these efforts and ensuring effective cross-sector engagement to implement ASP actions in a coordinated way. Additionally, countries in LAC have not systematically deployed their promotive SP programs, which aim to build human capital, to help improve the resilience of poor and vulnerable households and better enable them to mitigate and prepare for the climate risks they face. Finally, financing for post-disaster SP needs has often been based on emergency budgetary reallocation, rather than relying on predictable sources of contingency financing (with a few exceptions). Additionally, even with budgetary adjustments being made, this at times has been on a discretionary basis, and not always based on established emergency budget procedures. Ensuring resource needs for SP scale-up in LAC countries is therefore tenuous and unpredictable in several countries. These ad-hoc approaches have limited the effectiveness of leveraging LAC SP programs and delivery systems to support disaster risk reduction and disaster risk management objectives.

Countries in LAC vary not only in their exposure to risks, but also in their institutional preparedness to respond to shocks. As such, developing a framework to assess Adaptive Social Protection Capacity to address disaster risks in LAC therefore requires being able to (i) assess the current maturity of SP systems; (ii) evaluate the adaptiveness of those SP systems; and (iii) identify how SP systems can better support meeting DRM objectives.

1. Assessing the Maturity of SP Systems in LAC countries

Despite the achievements of SP systems in the region, there remains heterogeneity in the design, maturity, performance and impact of country SP systems in LAC. This paper has developed a typology for assessing LAC SP systems across the three SP system dimensions – Institutions, Delivery and Financing – to assess relative maturity and to identify gaps to effective performance across each dimension. **Institutions** include metrics related to government leadership (such as policy setting, capacity, and institutional arrangements). **Delivery** comprises the building blocks related to benefit and service delivery (including program design and delivery systems) and information systems. **Finance** includes metrics related to the predictability and sustainability of SP financing. The typology is the first component of the Framework to assess ASP capacity in LAC and is informed by a series of qualitative and administrative assessments (Table 2) of the responsiveness of LAC SP systems to shocks, as well as review of relevant SP performance indicators, including spending, adequacy, coverage and incidence. Chart 15 provides a useful reference for countries to visualize where their SP system fits along the trajectory of system maturity.

Chart 15: Typology for Assessing SP System Maturity in LAC



Source: Author's illustration

The typology illustrates that LAC countries range from those with nascent systems, demonstrating low institutional capacity; limited program offerings and coverage, rudimentary systems, and ad-hoc financing arrangements; to those that demonstrate more established institutions, instruments and performance along these metrics. Other countries operate at an emerging level of maturity, having moved away from nascent systems, but have not yet achieved the maturity and performance of established systems. It is also important to note that a country may be nascent on one dimension and established on another. For instance, a country may have established SP legislation and good institutional arrangements, while program coverage is low and information systems are still rudimentary or vice versa.

By applying this typology, countries could identify the main constraints and gaps to effective delivery of regular SP benefits and services, which are also critical to supporting disaster and climate-related risks. As the previous section of this report detailed, the maturity and performance of SP systems in LAC vary widely, and as such, each country will have a unique starting point for ensuring that their SP system is adaptive and responsive to disaster risks and vulnerabilities. Improving performance in the system areas that are nascent or less established, will be critical for ensuring improved responsiveness of SP systems to address these challenges.

2. Evaluating the Adaptiveness of SP Systems in LAC Countries

The second element for assessing ASP capacity in LAC is evaluating country's progress on the ASP roadmap, which outlines the core and interrelated building blocks for investing in more adaptive SP systems.⁵⁴ Addressing these building blocks is critical to ensuring that Social Protection Systems are ready to address disaster and climate-related risks and impacts. For simplicity, the elements of the ASP roadmap have been bundled into the three dimensions: (i) Institutions (including Government Leadership and Institutional Arrangements); (ii) Delivery (comprising the building blocks of Adaptive Information and Adaptive Programs); and (iii) Finance (including the building block of Adaptive Finance). A checklist for assessing the adaptiveness of SP systems is also summarized in Chart 16. Key requirements for these building blocks are detailed in the accompanying guidance notes to this piece, which are also summarized at the end of this report. Institutions are described in a bit more detail in this section, as there is no specific accompanying guidance note on this topic.

The Institutions dimension includes assessing the appropriateness and relevance of Government SP policy and their links to ASP objectives; ensuring well-defined operational processes to govern program implementation; and assessing whether there are clear institutional arrangements in place to facilitate cross-sector coordination required for meeting ASP objectives. Indeed, not all LAC countries have current legislation governing the SP sector. Where not yet in place, it would be imperative to ensure that policies and legislation are introduced to provide a guiding legal framework for

Box 2: Including ASP Actions in Operational Procedures: Rules of Operations (ROP) for Mexico's former PROSPERA CCT.

The former PROSPERA CCT's ROP outlined the program's general operational rules and was updated annually. The ROP also defined changes in operational processes during declared emergencies, including inter-alia, (i) the payment of cash transfers without verifying co-responsibilities in emergency situations where delivery of education and health services are impeded; (ii) adjusting operational processes of the National Coordinating Council; (iii) delaying recertification by one year for families living in affected areas with prior authorization from the National Coordinating Council; and (iv) deployment of PROSPERA personnel to affected areas etc.

(Source: Government of Mexico, Rules of Operation for the PROSPERA Social Inclusion Program, 2018.)

the SP sector. These countries should take advantage of the drafting process to include ASP considerations into any SP legislation being introduced. For those countries with SP legislation in place, it would be imperative to assess if they adequately include measures for ensuring the systematic use of SP programs, services and delivery systems for shock response. Countries including the Dominican Republic and Peru have embarked on introducing separate Adaptive Social Protection Strategies, particularly to guide the provision of social safety nets in times of crises. Linked to this, program adjustments for crisis contexts should be clearly detailed in operational procedures for SP programs and services. The Rules of Operations for Mexico's former CCT, PROSPERA, defined program adjustments to be made in the event of a disaster (see Box 2). Ensuring these processes are clearly defined will help to limit ad-hoc and reactionary adjustments to programs in times of crises and ensure that both staff and beneficiaries are adequately informed of crisis procedures. An important element in this area as well, is assessing the coordination between SP and DRM agencies, and the institutional arrangements governing coordination across these sectors. Several LAC countries have defined DRM institutional arrangements with clear roles for SP sectors. For instance, Jamaica's National Disaster Council, includes several subcommittees responsible for various crisis actions, including for finance and planning; emergency operations, health, public information, and finally, a Humanitarian Assistance Committee (HAC) (See Box 3). Brazil's Federal DRM system includes the Sistema Único de Assistência Social (SUAS) which has well-defined protocols for post-disaster assistance. Despite this, previous assessments of some country systems in the region have found the roles of SP agencies to systematically support DRM pillars to be weak, despite defined roles in DRM frameworks.⁵⁵

Finally, clearly defined coordination arrangements to guide the actions of external actors in emergencies should be established ex-ante. Chile's National Emergency Plan⁵⁶ for instance outlines the interagency disaster and emergency response arrangements with United Nations agencies based in Chile, including how support will be solicited by Government; what agency will be responsible for soliciting support; and the different responsibilities

Box 3: The Role of SP in DRM Legislation and Institutional Arrangements in LAC

Chile's Decree No. 156 of 2002 which established the National Civil Protection Plan and its update through Decree No. 697 of 2015 outlines civil protection institutional arrangements and responsibilities at the national, regional, provincial and municipal levels and across the different DRM phases. The plan aims to develop permanent actions to prevent and attend to emergencies based on an integral approach to risk management. This is complemented by a National Emergency Plan, which establishes response actions in different phases of emergencies with the aim of protecting people, their property and the environment. Both Plans include defined roles and responsibilities for the Ministry of Social Development (among other actors), particularly related to the application of the Basic Emergency Sheet (*Ficha Básica de Emergencia - FIBE*) which assesses household-level disaster impacts. FIBE complements other official data collection instruments which capture information on disaster impacts.

(Sources: Government of Chile, Decree No. 156 of 2002; Decree No. 697 of 2015; National Emergency Plan, 2017.)

Jamaica's National Disaster Risk Management Council includes a Humanitarian Assistance Committee (HAC) co-chaired by the Ministry of Labor and Social Security (MLSS) and the Office of Disaster Preparedness and Emergency Management. The HAC includes other government ministries and non-government organizations. The HAC's responsibilities include shelter management, providing relief and safety net support to persons affected by disasters; coordinating and leading the household damage assessment process etc. The HAC meets quarterly to ensure disaster preparedness and more frequently during the hurricane season or other crises.

(Sources: Operations Manual for the Contingency Emergency Response Component, Jamaica Disaster Vulnerability Reduction Project; Government of Jamaica, 2018)

among agencies for different emergency actions, including identifying institutional focal points, defining field missions, providing humanitarian assistance, identifying staff and consultant needs etc. Other important elements to ensuring effective ASP institutions, includes ensuring adequate human resource capacity for delivery of SP and contingency human resources to support preparedness, response, and recovery.

Chart 16: Checklist for Effective ASP Systems

Institutions

- ✓ Well established DRM frameworks and legislation, with clear roles for SP
- ✓ Established policies or strategies for guiding ASP to contribute to all DRM objectives
- ✓ Regular coordination between SP and DRM agencies, and across Government and non Government sectors
- ✓ Established and documented institutional arrangements and protocols for Government and non Government actors for ASP actions at all DRM phases
- ✓ Contingency human resource and institutional arrangements for ASP to support preparedness, response, and recovery



Delivery

- **Adaptive Programs and Services**
 - ✓ **Established cash and in kind transfers with good coverage of the poor**
 - ✓ Complementary measures to help beneficiary households reduce poverty and hazard risk and to improve resilience
 - ✓ Well defined and documented operational procedures for post disaster SP
 - ✓ Multiple options for post disaster benefit delivery that could be selected based on post shock contexts
 - ✓ Provision of social care services, case management and other interventions to support coping and address impacts on well being
 - ✓ Effective communication mechanisms to communicate post shock procedures
 - ✓ Benefits and services to improve resilient recovery of affected households
- **Adaptive Information**
 - ✓ **Sound design of SP information systems to ensure sound data quality (accuracy, relevance, currency, completeness and coverage), data management, access, security and supporting institutional arrangements**
 - ✓ **Well populated social registries with information on the poorest and most vulnerable to shocks**
 - ✓ **Established beneficiary registries that facilitate identification of beneficiaries in affected areas for immediate scale up of benefits**
 - ✓ Mechanisms to facilitate interoperability and bi directional data sharing across SP and DR information systems
 - ✓ Established instruments for assessing post disaster household needs and impacts, and mechanisms to cross check data when needed
 - ✓ Mechanisms to secure data, software and hardware for social information systems, including disaster protocols



Finance

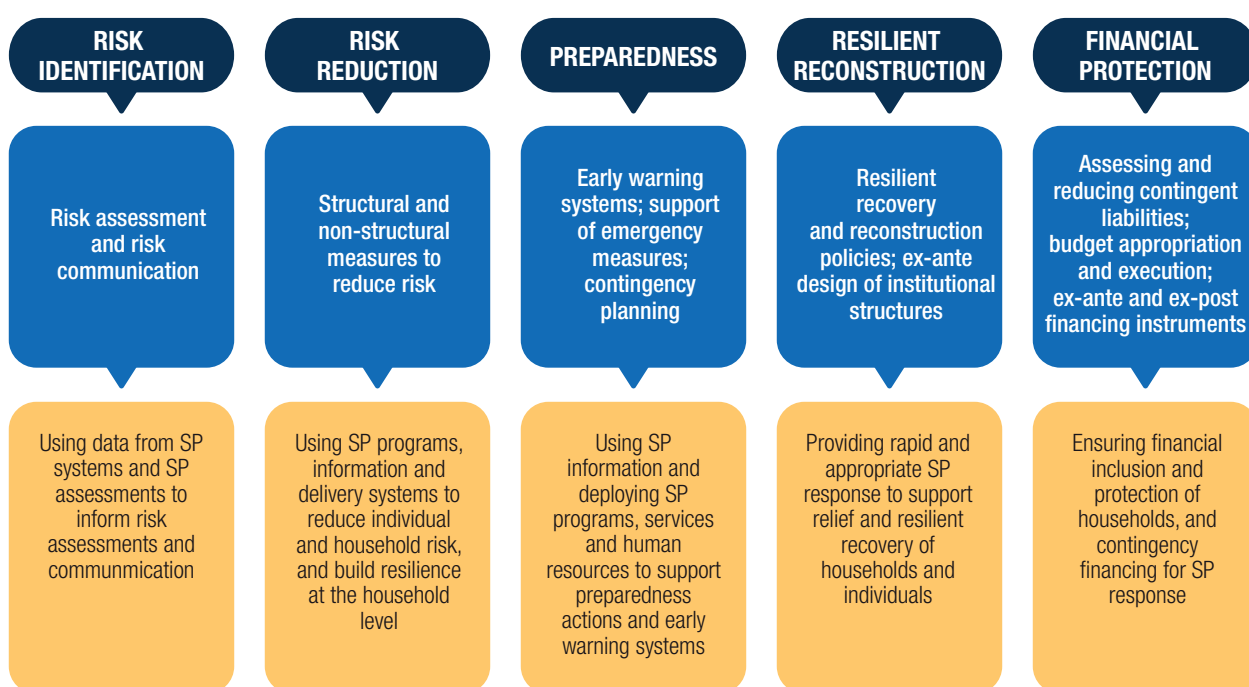
- ✓ Good coverage of household insurance among non poor
- ✓ A good mix of macro and micro risk financing options, including parametric insurance, contingent lines of credit etc.
- ✓ Good understanding of post shock SP financing needs ex ante
- ✓ Disaster risk finance policies and strategies in place with established mechanisms for scaling up SP



3. Identifying how SP Systems Support Disaster Risk Management Pillars

The final element of an ASP Framework for LAC countries identifies how well SP systems (institutions, programs, delivery systems, and finance) support the DRM pillars of risk identification, risk reduction, preparedness, resilient reconstruction, and financial protection. It is the argument of this synthesis note that SP has a potentially strong role to play to support each of these five pillars, given its importance for ensuring household preparedness, response, recovery, and ultimately, resilience to disaster events. SP benefits and services, their human resources, information systems and delivery mechanisms are important to supporting all of these pillars and should be strongly coordinated across sectors to be effective. Chart 17 below provides a summarized illustration of these linkages, which are further detailed in individual guidance notes that accompany this synthesis note.

Chart 17: Applying SP Programs and Instruments to Disaster Risk Management Pillars⁵⁷



Author's adaptation based The Sendai Report, GFDRR (2012)

ASP can facilitate improved and better-informed risk identification by enabling the use of data from SP systems and SP assessments to improve vulnerability data for better risk assessment and risk monitoring. This can provide a combined approach to assessing and identifying risk, that incorporates both vulnerability to poverty and vulnerability to hazards and climate change. SP possesses underutilized potential for addressing risk reduction, given that the households that most rely on climate sensitive sectors and or live in precarious conditions close to hazard prone areas are the poor and vulnerable that are specifically targeted by SP programs. The information contained in SP information systems often contains more comprehensive socio-economic data on the poorest and most vulnerable than other registries and population databases. As such, they provide a valuable resource for improving understanding on where the most vulnerable are located, their socio-economic conditions; and other factors that may increase their risk.

SP programs and delivery systems can also contribute reducing risk. The interactions between SP programs and beneficiaries provide a useful opportunity to reduce risks faced by the poorest and most vulnerable. The importance of using SP to improve resilience in LAC is evident in the increased emphasis on linking SP beneficiaries to productive inclusion to improve earnings and self-reliance among the poor. Most countries across the region have piloted and/or scaled up initiatives to facilitate improved earnings among beneficiary households and ultimately, lift them out of poverty. While these efforts have been focused on economic resilience, they can go further by prioritizing SP beneficiaries for support to help diversify their livelihoods to more climate-resilient sectors; linking beneficiaries to support improved structural resilience of their dwellings or to be relocated away from hazard zones; using SP information systems to identify and support poor households that reside in hazard prone areas; and identifying measures to reduce risks to health and other covariate shocks.

SP programs also have often underutilized potential for supporting preparedness actions. Given that SP programs are those that most often interact with the most vulnerable in the population, they have a potentially critical role to play to ensure that these individuals and households can be better prepared for the onset of shocks. For instance, SP information systems and registries (if well-populated) can help identify vulnerable groups such as the elderly and persons with disabilities to inform emergency response plans for evacuation and shelter of vulnerable populations; while SP human resources (social workers) can be deployed to support shelter management. Where they exist, beneficiary education programs can help the poor and vulnerable better understand how they can prepare for disasters, while SP programs can be used to communicate critical preparedness information to beneficiaries before disasters strike. This is particularly crucial, as the poor are often disconnected from regular communication channels, particularly in rural areas. At the same time, early warning systems can be better utilized when knowing where the most vulnerable population resides and adjust thresholds for evacuation for example.

Ensuring that post-disaster SP support can be deployed efficiently to those affected and most in need, is critical to supporting resilient recovery. SP has perhaps best been used to support disaster response through provision of post-disaster transfers to beneficiary and non-beneficiary affected households during the short to medium terms following a disaster. Ensuring that such support can be deployed quickly, and appropriate to needs and contexts, is essential for a well-functioning ASP system. SP also has a role to play in longer term recovery, by linking affected households and individuals to benefits and services to support livelihood restoration and increased resilience to future shocks.

Finally, on financial protection, it is important to address this at (i) the household level and (ii) the macro-level. At the household level, it is important for SP programs to support improved financial protection of the poor. This can be done through provision of adequate benefits that help smooth consumption and enable the poor to meet their basic needs. When benefit adequacy is too low, SP benefits are unable to sufficiently reduce the poverty gap, and consequently, programs have little impact on poverty reduction or resilience building. Of course, benefit levels must be balanced with mitigating perverse incentives and fiscal space. Additionally, where feasible, SP programs can help facilitate improved financial resilience of the poor through providing incentives and linkages to foster financial inclusion, for instance through delivering SP cash benefits through bank or credit union accounts. SP programs can also complement broader efforts to improve insurance coverage of the poor and vulnerable, through incentives for crop and weather-based insurance. Finally, at the macro level, it is critical to establish mechanisms to ensure that the financing needs for SP scale-up are met, by quantifying SP financing needs ex-ante, and establishing multiple contingency financing options for addressing post-disaster SP financing needs.

Assessing and addressing the aforementioned areas will better position SP systems in LAC to support disaster and climate-related risks. In summary, LAC countries should:

- 1. *Improve the performance of their SP systems where critical gaps to regular delivery persist:*** Regular delivery of SP benefits and services is vitally important to effective ASP. Program coverage, benefit adequacy, efficiency in benefit delivery, and providing complementary measures for safety net beneficiaries etc., help to ensure that SP program objectives of consumption smoothing, poverty reduction, and building human capital are met. These in turn are critically important for improving the resilience of poor households. As such, LAC countries should take steps to address the gaps hindering the performance of their regular SP systems.
- 2. *Strengthen the adaptability of the SP systems through design tweaks, program adjustments and documenting ASP processes:*** Ensuring that SP systems are prepared ex-ante to respond to shocks and better facilitate improved resilience of poor and vulnerable households, requires deliberate actions to improve the adaptability of SP institutional arrangements, delivery mechanisms and ensuring appropriate financing arrangements. This is no light task, as it requires improved overarching legislative arrangements, coordination mechanisms, financing strategies, well-functioning SP information systems and clearly defined operational adjustments. The framework outlined in this synthesis note and accompanying guidance notes offers a suggested approach for identifying where critical gaps persist which can be prioritized for reform and system strengthening.
- 3. *Use SP benefits, services and delivery systems to support DRM pillars from risk identification to financial protection, to ensure more impactful resilience and recovery outcomes.*** Finally, as outlined in this synthesis note, SP has broad potential to support DRM pillars beyond disaster response. Deliberately leveraging SP information systems, human resources, benefits and service delivery to contribute to risk identification, risk reduction, preparedness, resilient reconstruction, and financial protection have the potential to facilitate more meaningful resilience impacts.

The critical elements to improve ASP capacity to support DRM pillars are further fleshed out in a compendium of guidance notes that accompany this synthesis note.⁵⁸ The selected topics were chosen because they each form core areas of the ASP roadmap and are critical to ensuring that SP systems in LAC are best positioned to support the disaster and climate risks faced in the region. The notes and their links to this ASP Framework are detailed below.

Post-Disaster Household Assessments (PDHAs) and Eligibility Determination for Post-Disaster Social Protection Benefits:

This guidance note shares country experiences and provides solutions for effectively assessing post-disaster needs and conditions to inform the provision of post-disaster social protection benefits and services. This note's importance is paramount, given that those affected by disasters may not necessarily be poor before the disaster, and as such, mechanisms to identify such households and assess their needs are required. The note describes the tools and processes for determining eligibility and assessing needs and conditions for the provision of regular SP benefits and services, as well as common instruments and methodologies used for assessing post disaster impacts and needs. The objectives of this note are to (i) improve mutual understanding of SP targeting and disaster assessment instruments; and (ii) help LAC countries develop more integrated and comprehensive methodologies to assess post-disaster household needs and impacts to inform post-shock SP response. This guidance note is intended to help LAC countries strengthen the links between SP systems with risk identification, resilient reconstruction and financial protection objectives. Overall, this guidance note argues that there are a myriad of available tools and instruments in LAC countries that can be leveraged to support quick identification, assessment, and provision of SP benefits and services to persons and households affected by shocks. These include reliable targeting mechanisms and processes for regular SP benefits, particularly flagship cash transfer programs; good program coverage of flagship cash transfers; and well-populated beneficiary and social registries. However, these instruments are not well-developed in every LAC country, and despite their utility for immediate vertical expansion, there is less utility for effective horizontal expansion to affected non-beneficiary households. Given this, the design and institutional arrangements for PDHAs are also critical to informing both emergency response and longer-term recovery. The note offers a series of recommendations to improve post-disaster household assessments for more efficient provision of post-disaster SP benefits and services.

Making Social Protection Information Systems Adaptive:

This guidance note summarizes how SP information systems (SPISs) can be best used to support ASP and DRM pillars. The note provides readers with a summary understanding of the main SP information systems used in LAC countries; provides an overview of information systems to support DRM; develops a typology for assessing the maturity of SP systems in the region; and details how these systems can be best applied to support DRM pillars. This topic is explicitly linked to the ASP roadmap building block - adaptive information – and is cross-cutting, in that it is critical to supporting all the pillars of the DRM framework. The guidance note establishes that SPISs are importantly relevant to addressing DRM objectives. Each SPIS type on its own can help improve decisions and actions for risk identification, preparedness, risk reduction,

response and financial protection. Additionally, when data from these systems are cross-referenced, or interoperable with, data from Disaster Risk Information Systems (DRISs), the utility of these systems for improving resilience, coping and adaptation among poor and vulnerable households increases. The note establishes that the LAC region benefits from multiple SPIs including beneficiary and social registries, with some countries having multi-program and integrated SPIs at their disposal to support business processes associated with delivery. Nevertheless there remain gaps to the effective use of these systems for both regular delivery and to support ASP. Despite their utility, the use of different SPIs to inform DRM objectives and interoperability across SPIs and DRISs has been limited. These systems require sound design and clear protocols and arrangements if used to support DRM objectives, which are often not complete or absent in many countries. The principles of sound data management, data quality, accessibility, security, legal framework etc. are all critically important to ensure sound functioning of these systems and their use to help address climate-related and disaster risk. The note concludes by providing recommended design options for making SPIs more adaptive to disaster and climate risks in LAC.

Tailoring Adaptive Social Safety Nets to Latin America and the Caribbean:

This guidance note serves as a consultation tool in the design and reform of SSNs in LAC countries to better support ASP objectives. The note aims to help policy makers better respond to disaster and climate-related risks, by establishing a typology of SSNs in LAC; detailing examples and best practices of how LAC countries have used their SSNs for ASP objectives; and providing specific guidance on how to improve the responsiveness of SSNs to support DRM objectives. This guidance note topic is explicitly linked to the ASP roadmap building block – adaptive programs and is critical to supporting the resilient reconstruction and financial protection DRM pillars. Overall the guidance note highlights LAC country experiences as pioneers and global leaders in implementing social safety net programs, with comparatively higher spending and coverage on SSNs as well as benefiting from well-established delivery systems, particularly for flagship SSNs. Despite this, there remain gaps to effectively using SSNs in LAC for poverty reduction, consumption smoothing, and ultimately resilience, given lingering coverage gaps, inadequate benefits, rudimentary delivery, and weak links to resilience building in some countries. The note argues that strengthening the use of SSNs to support DRM objectives requires addressing gaps to regular delivery and improving the preparedness and responsiveness of SSNs to respond in times of shocks.

The use of Social Work Interventions to Address Climate and Disaster Risks in Latin America and the Caribbean:

This note provides guidance to LAC countries on the use of social work interventions, including family accompaniment and case management, to support DRM objectives. The note recognizes the importance of social work interventions, social workers and other program staff that perform case management, family accompaniment and other social work functions to support SP systems in LAC countries, and the large potential for using these interventions to better address poverty and vulnerability risks that may be exacerbated by disasters. The note aims to build capacity for improved use of social work interventions to help households and communities cope with the impacts of disasters on well-being. The note provides guidance and recommendations for improving the use of social work interventions to support disaster and climate risk. This guidance note topic is also cross-cutting, as social work interventions have applicability to risk identification, risk reduction, preparedness and resilient reconstruction, even if in a supportive role. Overall this note confirms the importance of social work interventions to help vulnerable people, families, and communities in situations of risk. The review in the

note confirms wide variety in the institutionalization of social work in LAC countries, with some countries demonstrating formal and institutionalized social work interventions complemented by certified staff, while other countries largely depend on various categories of staff, most of whom lack formal social work certification, to perform these functions. Finally, in some LAC countries, SP systems are focused on benefit delivery, and the use of social work interventions as part of the SP system is very incipient. The note provides an assessment typology and recommendations to help LAC countries improve the use of social work interventions in a more formal and comprehensive way to build resilience of the most vulnerable.

Disaster Risk Finance for Adaptive SP:

This guidance note aims to improve understanding of how, at the macro level, SP could better support financial protection objectives. As such, the note outlines the requirements to ensure appropriate SP financing through use the Disaster Risk Financing (DRF) approaches to increase or secure available resources to support these objectives. The note also aims to improve mutual understanding of DRF and ASP concepts and instruments by practitioners in finance, DRM, and SP sectors. The note presents LAC country experiences and lessons learned to apply DRF instruments as an integrated part of a DRM strategy to enable more timely and appropriate responsiveness of SP systems. This note also has direct links to the ASP roadmap building block of adaptive finance and Government leadership.

Post-Script:

The World Bank's Engagement on Adaptive Social Protection in LAC

The World Bank's Disaster Risk Management (DRM) and Social Protection and Jobs (SPJ) Global Practices have been supporting LAC countries with strengthening DRM, SP and ASP systems for several decades, through investment financing, policy lending, and technical assistance. More recently, this engagement has expanded with strong technical assistance and coordination on supporting countries to assess the shock-responsiveness of their SP systems; supporting development of ASP strategies; incorporating ASP considerations in national DRM systems; supporting the design of adaptive SP delivery systems; and strengthening capacity of DRM and SP stakeholders on ASP.

Thanks to the support from the Global Facility for Disaster Reduction and Recovery (GFDRR) and the Rapid Social Response Trust Fund (RSRTF), support has been provided to help strengthen ASP capacity and ASP systems in Colombia, Dominica, Dominican Republic, Ecuador, Grenada, Honduras, Jamaica, Mexico, Peru, St Vincent and the Grenadines; and regionally in Latin American and Caribbean countries (see below).

This package of guidance notes have been made possible through financing from a GFDRR-financed RSR Trust Fund, *Knowledge Exchange on Adaptive Social Protection Systems as A Disaster Risk Mitigation Mechanism* and the GFDRR Trust Fund, *Strengthening Capacity and Knowledge on Disaster Responsive Social Protection in the Caribbean*.

Table 2: World Bank ASP Engagement in Latin America and the Caribbean

Country	Year	Project Title
Colombia	2016-2018	Strengthening Social Protection System as a Disaster Risk Mitigation Mechanism
Dominica	2016-2018	Building Blocks for Disaster-Responsive Social Protection Systems in Dominica and Grenada
Dominican Republic	2017-2020	Strengthening Social Protection Interventions for Disaster Preparedness and Response
Ecuador	2019-2020	Adaptive Social Protection: Strengthening Social Programs for Post Disaster Response (GFDRR USAID SDTF)
Grenada	2016-2018	Building Blocks for Disaster-Responsive Social Protection Systems in Dominica and Grenada

Continued

Country	Year	Project Title
Honduras	2019-2021	Honduras Adaptive Social Protection: Strengthening Cash Transfers for Post Disaster Response.
Jamaica	2016-2017	Strengthening Jamaica's Social Protection System for Disaster Preparedness and Response
Mexico	2018-2020	Strengthening Mexico's Social Protection System for Disaster Preparedness and Response
Peru	2017-2019	Strengthening Social Protection System as a Disaster Risk Mitigation Mechanism Technical Assistance
St Vincent and the Grenadines	2016-2018	Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines
Regional - LAC	2017-2020	Knowledge Exchange on Adaptive Social Protection Systems as A Disaster Risk Mitigation Mechanism
Regional - Caribbean	2019-2020	Strengthening Capacity and Knowledge on Disaster Responsive Social Protection in the Caribbean

Glossary*

Social Protection Terms

Active Labor Market Programs (ALMPs). ALMPs include interventions which are aimed at the improvement of the beneficiaries' prospect of finding gainful employment, in other words to enhance their employability.

Adaptive Social Protection. Helps to build the resilience of households that are vulnerable to shocks through direct investments that support their capacity to prepare for, cope with, and adapt to shocks: protecting their wellbeing and ensuring that they do not fall into poverty or become trapped in poverty as a result of the impacts.

Adequacy. A program is adequate if it provides sufficient benefits to enough people for long enough.

Beneficiaries. Individuals, families, or households who are enrolled in a program who are recipients of a benefit or service.

Beneficiary Registry. A database of beneficiaries of a social protection program. Beneficiary registries contain information on program beneficiaries. Registries that contain information on beneficiaries of multiple programs are known as integrated beneficiary registries.

Benefits. Something tangible that is given by social protection programs to individuals, families, or households. They may be in the form of cash transfers or in-kind (such as food stamps, food rations, subsidies etc.).

Cash Transfer Programs. Programs that transfer cash to eligible people or households.

Categorical Targeting. A targeting method in which all individuals in a specific category (for example, a particular age group, geographic location, gender, or demographic composition) are eligible to receive benefits.

Chronic Poverty. Poverty that endures year after year, usually as a result of long-term structural factors faced by the household, such as low assets or location in a poor area remote from thriving markets and services.

Community-Based Targeting. A targeting method in which a group of community members or leaders (whose principal functions in the community are not related to the transfer program) decide who in the community should benefit.

* The terms in this glossary are referenced from: Grosh, Margaret; del Ninno, Carlo; Tesliuc, Emil; Ouerghi, Azedine. 2008. *For Protection and Promotion: The Design and Implementation of Effective Safety Nets* (World Bank); Lindert, K. George, T. et al. Forthcoming. *Sourcebook on the Foundations of Social Protection Delivery Systems* (World Bank); Bowen, T., del Ninno, C. et al.. Forthcoming. *Adaptive Social Protection: Building Household Resilience to Shocks*. (World Bank); World Bank, GFDRR, and Government of Japan, 2012. *The Sendai Report: Managing Disaster Risks for a Resilient Future*, United Nations Office of Disaster Risk Reduction. *Terminology*; and World Bank. 2014. *Financial Protection Against Natural Disasters: An Operational Framework for Disaster Risk Financing and Insurance*.

Conditional Cash Transfers. Provide money to poor families contingent on them making investments in human capital, such as keeping their children in school or taking them to health centers on a regular basis.

Conditionalities (or Co-responsibilities). The set of obligations that each beneficiary household must comply with in order to continue receiving cash benefits. Common examples include: school attendance, health visits, labor / work efforts.

Covariate Shock. An uncertain (in realization, timing, or magnitude) event that affects many or all members of a group or community, such as drought, earthquake, or macroeconomic crisis.

Delivery Chain. Social protection (including labor) benefits and services pass through common implementation phases along the delivery chain, including: Outreach; Intake & Registration; Assessment of Needs and Conditions, Eligibility and Enrolment Decisions; Determination of Benefits or Service Package; Notification and On-Boarding; Provision of Payments or Services; and Beneficiary Monitoring and Management.

Demographic Targeting. A targeting method in which eligibility is based on age.

Eligibility. A state in which individuals, families, or households are entitled or qualified to receive a benefit or service because they satisfy certain criteria.

Eligibility Criteria. Factors used to determine whether an individual, family, or household is eligible (inclusion criteria) or not eligible (exclusion criteria) to participate in a program.

Equity. Concept of fairness in economics. Equity analysis examines the distribution of benefits across pertinent groups (poor/nonpoor, men/women, rural/urban, and so on).

Error of Exclusion. The exclusion of a person who meets eligibility criteria from a program.

Error of Inclusion. The inclusion of an ineligible person in a program.

Generosity. The level of a program benefit as a share of the poverty line or other type of indicator, such as the minimum wage, the average wage, or the total consumption of beneficiary households.

Geographic Targeting. A targeting method in which location determines eligibility for benefits or allocates budget to concentrate resources on poorer areas.

Idiosyncratic Shock. An uncertain (in realization, timing, or magnitude) event that affects one individual or household, such as illness or the loss of a job.

In-Kind Food Transfers. Provide additional resources to households by making food available when they need it most in the form of food rations, supplementary and school feeding programs, or emergency food distribution.

Intake. The process of initiating contact, engaging the client(s) and gathering information for the purposes of assessing their needs and conditions for potential eligibility for benefits or services. The point of entry may be via a specific program or a multi-program access point (such as a social welfare agency, public employment service, social registry). On-demand intake approaches allow anyone to apply and register their information to be considered for potential inclusion in one or more programs.

Intended Population. The group of individuals, families, or households who are meant to be included as potential beneficiaries of a program. Also referred to as Target Group.

Interoperability. The ability of different function units—e.g., systems, databases, devices, or applications—to communicate, execute programs, or transfer data in a manner than requires the user to have little or no knowledge of those functional units.

Labor Markets. Includes actual pools of skilled or unskilled labor available within local, national or global economies, and activities intended to reduce risk and to improve the efficiency of the labor market and to increase the employability of workers, including employment security and protection.

Management Information System (MIS). Includes all the databases kept by the various program units in the performance of their functions—registry of beneficiaries, payments, and so on.

Means Test. A targeting method based on income that seeks to collect comprehensive information on household income and/or wealth and verifies the information collected against independent sources.

Near Cash Transfers. Include food stamps, coupons, or vouchers that may be used by households to purchase food at authorized retail locations.

Non-Contributory Pensions (or Social Pensions). Benefits paid to the elderly from tax financed (rather than contribution-financed) sources and without regard to past participation in the labor market.

Notification. Involves informing applicants of their enrollment decisions (viz: in, waitlisted, out).

Onboarding (or Enrollment). Involves finalizing the enrollment process for those who have been selected (conducting orientation, collecting additional information, providing option to opt-out, etc.).

Outreach. Deliberate efforts to reach and inform intended populations and vulnerable groups about social protection programs and delivery systems in ways that they will comprehend so that they are aware, informed, able, and encouraged to engage.

Passive Labor Market Programs. Programs that provide income replacement to unemployed workers without requiring any job-search or work-related activation efforts.

Poverty Gap. The mean difference between the poverty line and household income divided by the poverty line (the nonpoor have a gap of zero) calculated over the whole population. The income gap multiplied by the headcount equals the poverty gap.

Poverty Lines. Cutoff points separating the poor from the nonpoor. They can be monetary (for example, a certain level of consumption) or nonmonetary (for instance, a certain level of literacy).

Proxy Means Test. A targeting method by which a score for applicant households is generated based on fairly easy-to-observe household characteristics, such as the location and quality of the household's dwelling, ownership of durable goods, demographic structure, education, and so on.

Public Works Program. Where income support for the poor is given in the form of wages (in either cash or food) in exchange for work effort.

Quintile. One-fifth of an ordered population; for example, the poorest or richest one-tenth of the population.

Risk and Vulnerability Analysis. Complements poverty analysis by providing insights into the risks the poor face, as well as the size and characteristics of the population at risk of becoming poor in the event of a shock.

Social Safety Nets (or Social Assistance). Noncontributory transfer programs targeted in some manner to the poor and those vulnerable to poverty and shocks.

School Feeding Programs. In-kind food transfers that provide meals or snacks for children at school to encourage their enrollment and improve their nutritional status and ability to pay attention in class.

Self-Targeted Programs (or Self-Selection). Self-targeted programs are technically open to everyone, but are designed in such a way that take-up is expected to be much higher among the poor than the nonpoor, or the level of benefits is expected to be higher among the poor.

Social Insurance. Contributory programs designed to help households insure themselves against sudden reductions in income. Types of social insurance include publicly provided or mandated insurance against unemployment, old age (pensions), disability, the death of the main provider, and sickness.

Social Protection. The set of public interventions aimed at helping individuals, families, households and communities especially the poor and vulnerable, cope with crises, manage risk, find jobs, invest in the health and education of their children, and protect the aging population. Social protection includes safety nets (social assistance), social insurance, labor market policies, and social services.

Social Protection Delivery Systems. The operating environment for implementing social protection (including labor) benefits & services, including the implementation phases and processes along the Delivery Chain, main actors (people and institutions), and enabling factors (communications, information systems, and technology).

Social Registry. Information systems that support the processes of outreach, intake and registration, and assessment of needs and conditions to determine potential eligibility for social programs. They contain and maintain information on all registered households regardless of whether they eventually benefit from a social program.

Social Services. Includes a wide variety of programs made available by public or private agencies to support individuals or families in addressing their particular risks and improving their overall well-being.

Target Group (or Target Population). The intended beneficiaries of program benefits.

Targeting. The effort to focus resources among those most in need of them.

Unconditional Cash Transfers. Provides cash transfer benefits to individuals, families, or households without imposing any conditions on the beneficiaries.

Unemployment Benefits. Unemployment compensation, which includes all forms of cash benefit to compensate for unemployment, including unemployment assistance (non-contributory) or unemployment insurance (based on contributions and earning history).

Vulnerability. The likelihood or probability that a household will pass below the defined acceptable threshold of a given indicator and fall into poverty.

Vulnerable Groups. Typically including the elderly, orphans, widows, people with disabilities, people with HIV/AIDS, refugees or internally displaced persons, among others. Vulnerable groups face special difficulties in supporting themselves because of some particular aspect of their situation.

Disaster Risk Management Terms

Climate Change. A change in the state of the climate that can be identified (e.g., by using statistical tests) by changes in the mean and/or the variability of its properties and that persists for an extended period, typically decades or longer. Climate change may be due to natural internal processes or external forces, or to persistent anthropogenic changes in the composition of the atmosphere or in land use.

Disaster. Severe alterations in the normal functioning of a community or a society due to hazardous physical events interacting with vulnerable social conditions, leading to widespread adverse human, material, economic, or environmental effects that require immediate emergency response to satisfy critical human needs and that may require external support for recovery.

Disaster Risk. The likelihood over a specified time period of severe alterations in the normal functioning of a community or a society due to hazardous physical events interacting with vulnerable social conditions, leading to widespread adverse human, material, economic, or environmental effects that require immediate emergency response to satisfy critical human needs and that may require external support for recovery.

Disaster Risk Financing and Insurance. Aims to increase the resilience of vulnerable countries against the financial impact of disasters.

Disaster Risk Management. Processes for designing, implementing, and evaluating strategies, policies, and measures to improve the understanding of disaster risk, foster risk reduction and transfer, and promote continuous improvement in disaster preparedness, response, and recovery practices, with the explicit purpose of increasing human security, wellbeing, quality of life, and sustainable development.

Disaster Risk Reduction. Aimed at preventing new and reducing existing disaster risk and managing residual risk.

Early Warning System. The set of capacities needed to generate and disseminate timely and meaningful warning information to enable individuals, communities, and organizations threatened by a hazard to prepare and to act appropriately and in sufficient time to reduce the possibility of harm or loss.

Exposure. People, property, systems, or other elements present in hazard zones that are thereby subject to potential losses.

Hazard. The potential occurrence of a natural or human-induced physical event that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, and environmental resources.

Mitigation. The lessening or minimizing of the adverse impacts of a hazardous event.

Natural Hazard. The potential occurrence of a natural physical event that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, and environmental resources.

Preparedness. The knowledge and capacities developed by governments, professional response and recovery organizations, communities and individuals to effectively anticipate, respond to, and recover from, the impacts of likely, imminent or current hazard events or conditions.

Prevention. Activities and measures to avoid existing and new disaster risks.

Reconstruction. The medium- and long-term rebuilding and sustainable restoration of resilient critical infrastructures, services, housing, facilities and livelihoods required for the full functioning of a community or a society affected by a disaster, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk.

Recovery. The restoring or improving of livelihoods and health, as well as economic, physical, social, cultural and environmental assets, systems and activities, of a disaster-affected community or society, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk.

Rehabilitation. The restoration of basic services and facilities for the functioning of a community or a society affected by a disaster.

Response. Actions taken directly before, during or immediately after a disaster in order to save lives, reduce health impacts, ensure public safety and meet the basic subsistence needs of the people affected.

Resilience. The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.

Risk Transfer. The process of formally or informally shifting the financial consequences of particular risks from one party to another, whereby a household, community, enterprise or State authority will obtain resources from the other party after a disaster occurs, in exchange for ongoing or compensatory social or financial benefits provided to that other party.

Vulnerability. The conditions determined by physical, social, economic and environmental factors or processes which increase the susceptibility of an individual, a community, assets or systems to the impacts of hazards.

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- 53 More information on the design parameters of this program can be found here: https://dof.gob.mx/nota_detalle.php?codigo=5552550&fecha=12/03/2019

- 54 More details on the roadmap and conceptual framing can be found in the forthcoming book, *Adaptive Social Protection: Building Household Resilience to Shocks* (World Bank).
- 55 See: Soto, C. 2017. *Grenada: Social Protection and Disaster Risk Management*. (World Bank); Soto, C. 2017. *Dominica: Social Protection and Disaster Risk Management*. (World Bank); Gonzalez, A. 2019. *República Dominicana: Mapeo de Actores y Análisis de Institucionalidad del Sistema de Protección Social ante Desastres*. (World Bank).
- 56 The complete Plan is available here: <https://siac.onemi.gov.cl/documentos/1434.pdf>
- 57 These are the five pillars (first row) and their components (second row) of the Disaster Risk Management Framework in *The Sendai Report, Managing Disaster Risks for a Resilient Future*. The third row illustrates SP components that relate to each of the five pillars.
- 58 Two of these operational notes were also partially financed through a GFDRR-financed Trust Fund to support on strengthening capacity and knowledge on Disaster Responsive Social Protection in the Caribbean.

